

Joint Programme Document

A. COVER PAGE

- 1. Fund Name:** Joint SDG Fund
- 2. MPTFO Project Reference Number**
- 3. Joint programme title:** *Environmental Finance Enabling Framework to accelerate SDGs in Cuba.*
- 4. Short title:** *Environmental Finance.*
- 5. Country and region:** *Cuba, Latin America*
- 6. Resident Coordinator:** *Consuelo Vidal, consuelo.vidal@un.org*
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9. Short description:

The protection and preservation of the environment is one of the Cuban State priorities. Despite the fact that the country has prior experiences from financial initiatives like BIOFIN that has set guidelines for addressing environmental finance, it has not yet succeeded in harnessing environmental finance opportunities at national and global levels due to existing knowledge, regulatory and institutional gaps. As a result, current mobilization of resources to implement actions required within the Environment and Natural Resources Macro-program is insufficient. The development of an "Environmental Finance Enabling Framework to accelerate SDGs in Cuba" would provide a coherent and articulated inter-institutional mechanism for dialogue, coordination, definition and articulation of actions aimed at mobilizing and channeling resources for biodiversity and climate change adaptation, thus contributing to advance SDGs.

Three expected outcomes have been determined, requiring a combined-approach strategy, because together, they lubricate and validate the proposed mechanism:(i) Created an enabling framework for the planning, management and mobilization of resources of environmental finance in Cuba; (ii) Environmental finance is integrated into national policies through a roadmap that will accompany the country in mobilizing resources until 2030; and (iii) Enhanced mobilization of additional resources for Cuba from the implementation of 2 innovative environmental finance solutions in the non-state sector. Moreover, since outcomes are gender sensitive, they significantly contribute to women equality and empowerment. The Joint Programme constitutes a potential accelerating factor for the accomplishment of SDGs in terms of capacity building, mobilization of resources and consistent policy, institutional and regulatory frameworks.

10. Keywords: *environmental finance, SDGs, biodiversity, climate change.*

11. Overview of budget

Joint SDG Fund contribution	USD 720,400.00
Co-funding 1 - <i>BIOFIN Initiative in Cuba</i>	USD 94,899.00
TOTAL	USD 815,299

12. Timeframe:

Start date (day/month/year)	End date (day/month/year)	Duration (in months)
01/01/2022	31/12/2023	24 months

13. Gender Marker: 2
14. Target groups (including groups left behind or at risk of being left behind)

List of marginalized and vulnerable groups	Direct influence	Indirect influence
Women	X	
Children		X
Girls		X
Youth	X	
Persons with disabilities		X
Older persons	X	
Rural workers	X	
LGBTI persons (sexual orientation and gender identity)	X	

15. Human Rights Mechanisms related to the Joint Programme

The JP is not directly linked to human rights mechanisms as it focuses on a very particular aspect of environmental issues, which is financing. However, special attention is provided to equal access opportunities to financial services creating spaces for non-state sector usufructuaries for the first time and promoting a gender- and age-sensitive approach to environmental finance. Additionally, and taking into account the national principle of not leaving anybody behind, it is expected that groups of vulnerable people potentially benefit from the JP as they live in territories that are relatively less developed and/or face natural disaster risks; and also new job opportunities will be created for women and youth as gender-sensitive financial solutions will be integrated into economic activities of the non-state sector for biodiversity and climate change sustainable management. The "State Agenda for Gender Equality" supported in the National Program for the Advancement of Women (PAM, its Spanish acronym) that promotes actions to achieve greater integrality and effectiveness in the prevention and elimination of manifestations of discrimination against women and strengthening mechanisms and professional skills of public officials and servants to mainstream gender into policy-making, program design and service provision. All of this is in accordance with the mechanisms in force within the framework of the United Nations in the area of human rights and with which the country has committed itself. In this context, in 2018, the United Nations Human Rights Council approved Cuba's report to the third Cycle of the Universal Periodic Review (UPR), during its 39th regular period of sessions, and the majority of the sessions were accepted by the government. the recommendations (309/339) ¹ made. Additionally, the country embraces the principles promoted by the Committee on the Elimination of Discrimination against Women (CEDAW) and benefits from its indicator framework that helps measure the country's progress on human rights in line with internationally defined practices.

¹ <https://www.ohchr.org/SP/HRBodies/UPR/Pages/CUindex.aspx>

16. PUNO and Partners:

16.1 PUNO

- Convening agency:
 - UNDP
- Other PUNO:
 - PNUMA

16.2 Partners

- National authorities:
 - Ministry of Science, Technology and Environment (CITMA).
 - Ministry of Finances and Prices (MFP)
 - Ministry of Economy and Planning (MEP)
 - Central Bank of Cuba (BCC).
 - National Office of Statistics and Information (ONEI)
 - Ministry of Foreign Trade and Investment (MINCEX).
 - National SDG Group – representative of national entities that make up the 2030 PNDES Working Group.
- Civil society organizations:
 - Federation of Cuban Women (FMC, National Mechanism for the Advancement of Women)
 - National Association of Cuban Economists and Accountants (ANEC)
 - National Association of Small Farmers (ANAP)
 - Cuban Association of Agriculture and Forestry Technicians (ACTAF)
- Private sector:
 - Non-state sector (MSMEs, agricultural cooperatives, and usufructuary farmers.)
- Other partners:
 - CITMA associated entities (Cuban Industrial Property Office (OCPI), National Environmental Safety Office (ORSA), National Standardization Office (ONN), International Project Financing Management Office, Territorial Delegations, Environmental Agency and research centers, national Group for Environmental Indicators).
 - Ministry of Agriculture (MINAG)
 - Ministry of Industry (MINDUS)
 - Ministry of Tourism (MINTUR)
 - General Comptroller’s Office of the Republic
 - Ministry of Higher Education (MES)
 - Academia / Universities
 - National Office of Industrial Design (ONDI)
 - Provincial and municipal governments and territorial SDG groups

SIGNATURE PAGE

<p>Resident Coordinator Consuelo Vidal Bruce <i>Date and Signature: Nov 17/2021</i></p> 	<p>National Coordinating Authority Ministry of Science, Technology and Environment (CITMA) <i>Jose Fidel Santana</i> <i>Vice ministro primero, CITMA</i> <i>Date</i> <i>Signature and seal</i></p>
<p>Participating UN Organization (lead/convening) United Nations Development Programme (UNDP) <i>Maribel Gutiérrez</i> <i>Resident Representative, UNDP</i> <i>Date 17 Nov 2021</i> <i>Signature and seal</i></p> 	
<p>Participating UN Organization United Nations Environment Programme (UNEP) <i>Jacqueline Álvarez</i> <i>Regional Director, Latin America and the Caribbean</i> <i>Date 18 November</i> <i>Signature and seal</i></p>  	 

B. STRATEGIC FRAMEWORK

1. Call for Proposal: Building Resilience and Ending Vulnerability in Small Island Developing States (3/2021)

2. Relevant Joint SDG Fund Outcomes

- Outcome 2: Additional financing leveraged to accelerate SDG achievement.

3. Overview of the Joint Programme Results

3.1 Outcomes

Joint Program outcomes and outputs:

Outcome 1. Created an enabling framework for the planning, management and mobilization of resources of environmental finance in Cuba.

Outcome 2: Environmental finance is integrated into national policies through a roadmap that will accompany the country in mobilizing resources until 2030.

Outcome 3. Enhanced mobilization of additional resources for Cuba from the implementation of 2 innovative environmental finance solutions in the non-state sector.

The Joint Program responds to Outcome 3 of the United Nations Cooperation Framework for Sustainable Development 2020-2024.

Outcome 3: Institutions, productive and service sectors, local governments and communities improve the protection and rational use of natural resources and ecosystems, climate change resilience and disaster risk reduction integrated management.

3.2 Outputs

Joint Program outputs:

Output 1.1 Established inter-institutional coordination mechanism that includes at least 70% of the key institutional stakeholders and 60% of the provinces that stands out for being inclusive and promoters of gender and generational equality.

Output 1.2 Strengthened capacities of stakeholders involved in the inter-institutional mechanism.

Output 1.3 A Digital Platform to address environmental finance providing visibility to gender dimensions and connected to SIAN has been established

Output 2.1 An environmental finance roadmap was designed, discussed and agreed with key stakeholders.

Output 2.2 A Plan of Action to implement the roadmap was designed, discussed and agreed with key stakeholders.

Output 2.3 Gender-responsiveness of key local and national institution was strengthened to implement environmental finance roadmap and plan of action, taking into consideration the SDGs targets related to gender equality and the empowerment of women in Cuba.

Output 3.1 The basis for a gender-sensitive national MEbA model has been established, allowing key local stakeholders (micro-financial institutions, cooperatives and

beneficial owners, public stakeholders) to know more about the potentials of MEbA taxonomy and the risk management methodology, and to implement a financial pilot mechanism.

Output 3.2 Capacities have been built for the implementation of a pilot financial mechanism for MEbA that will contribute to mobilize additional resources for climate change adaptation.

Output 3.3 Mobilization of additional resources up to 2030 for gender-responsive biodiversity conservation and climate change adaptation actions has been projected, with the implementation of at least two financial solutions, including microfinance, in two pilot sites.

The Joint Program outputs responds to the three outputs of Outcome 3 of the United Nations Cooperation Framework for Sustainable Development 2020-2024:

- Output 3.1 Strengthened capacities of key stakeholders to sustainably manage natural resources and ecosystems, and to improve environmental quality.
- Output 3.2 Strengthened capacities of key stakeholders to implement systemic climate change adaptation and mitigation strategies.
- Output 3.3 Strengthened capacities of key stakeholders for comprehensive disaster risk reduction.

The enabling framework for environmental financing in Cuba, created through this Joint Program, will include the capacity building of key stakeholders included in the inter-institutional mechanism, to create an effective mechanism to address environmental finance in the country. Training on biodiversity, climate change, environmental financing, and environmental and social safeguards will be included. Likewise, emphasis will be placed on gender mainstreaming in the development of environmental finance in the country. This framework will be accompanied by a roadmap and an action plan that will allow the country to implement it in the short and medium terms. In addition, the incorporation of financial solutions in the non-state sector will contribute to strengthening the capacities of these actors and will encourage the application of adaptation strategies to climate change at the local level.

4. SDG Targets directly addressed by the Joint Programme

3.1 List of targets

SDG 15: Life on land. Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

15.9 By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts.

INDICATOR 15.9.1

(a) Number of countries that have established national targets in accordance with the second Aichi Target of the Strategic Plan for Biodiversity 2011-2020 or similar targets in their national biodiversity strategies and action plans and have reported on their progress in achieving these targets.

BASELINE: APPROVED National Plan for Biological Diversity, PNDB, 20216-2020.

GOAL: Reported progress towards the mobilization of financial resources for the actions of the PNDB post 2020, as part of the inter-institutional coordination mechanism for the integration of Environmental Finance.

INDICATOR 15.9.1

(b) integration of biodiversity into national accounting and reporting systems, defined as implementation of the System of Environmental-Economic Accounting.

BASE LINE: Approved Specific Environmental Accounting Standard (NEC No. 11)
www.gacetaoficial.gob.cu.

GOAL: structured in a pilot site, accounting record of income and expenses associated with the conservation and sustainable management of biodiversity, as part of the implementation of NEC No. 11.

Other targets:

SDG 17: Partnerships for the goals. Strengthen the means of implementation and revitalize the global partnership for sustainable development.

17.1. Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection.

17.3 Mobilize additional financial resources for developing countries from multiple sources.

17.14 Enhance policy coherence for sustainable development.

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.

SDG 13: Climate action. Take urgent action to combat climate change and its impacts.

13.2 Integrate climate change measures into national policies, strategies and planning.

SDG 12: Ensure responsible consumption and production.

12.2 By 2030, achieve the sustainable management and efficient use of natural resources.

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 climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.

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.

5.c Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.

3.2 Expected SDG impact

The proposed environmental finance enabling framework will contribute to accelerate SDGs as it will mainstream the financial dimension of environmental management into the national development financing strategy. This will allow for the incorporation of environmental finance into the Integrated National Financing Framework (INFF), strengthening SDG implementation means. The main added value of the proposal to accelerate SDGs is capacity-building to: improve current environmental finance management in line with priorities identified in the 2030 PNDES; enhance resource pooling and mobilization; seize new opportunities; diversify its sources; and promote greater consistency in the allocation of available resources. Mainstreaming ecosystem and biodiversity values into development processes is crucial to ensure their sustainability. Therefore, it is necessary to allocate resources for the protection and sustainable use of biodiversity, coping with climate change and ensuring a resilient and inclusive development accelerating other SDGs that are not directly linked to the environment.

5. Relevant objective/s from the national SDG framework

For Cuba, complying with the 2030 Agenda is a State commitment and a national priority, realized in the alignment of SDGs with the 2030 National Economic and Social Development Plan (2030 PNDES)¹. The joint program contributes directly to three general objectives of the 2030 PNDES strategic axis *Natural resources and environment*, namely:

- Ensure a rational use of environmental resources, ecosystem conservation and the protection of the environment and national heritage.
- Enhance environmental quality.
- National climate change adaptation capacity-building.

It makes a relevant contribution to the following specific objectives of said strategic axis:

- Implement a local and community management model with an environmental approach that, under the leadership of local government authority, mainstreams the protection and rational use of natural resources and pollution prevention and control.
- Effective implementation of sustainable production and consumption levels, emphasizing the adoption of Cleaner Production strategies and mainstreaming the use of resources.
- Effective implementation of programs and actions to address climate change emphasizing adaptation, the reduction of vulnerabilities, mitigation of their causes and the introduction of systemic and trans-sectoral strategies.
- Implement economic incentives to ensure the sustainable use and conservation of natural resources.
- Consider all business management forms within the established environmental policies and legal framework.

The JP also contributes to the strategic axis *Production transformation and international insertion*, specifically to the following objective: Achieve more effective participation in international financial markets, in order to expand and diversify mid-and long-term foreign financing sources.

¹ Ministerio de Economía y Planificación. Plan Nacional de Desarrollo Económico y Social hasta 2030: propuesta de visión de la nación, ejes y sectores estratégicos. Junio, 2017.

6. Brief overview of the Theory of Change of the Joint programme

5.1 Summary:

Cuba has a macroprogram of Natural Resources and Environment, which has objectives aligned to SDGs and has the experience of initiatives like BIOFIN, that has made a difference in addressing biodiversity financing. However, it hasn't been able to tap the full potential of existing opportunities at global and national level and pool and mobilize the required resources due to knowledge, legal and institutional gaps; poor understanding of the role of the environment for sustainable development and lack of awareness on the potential of local non-state sector production stakeholders in the promotion of financial solutions for biodiversity and climate change response. In light of these challenges and a highly restrictive external and internal financial context, an "Enabling environmental finance framework to accelerate SDGs in Cuba" would allow the country to have a consistent financial management inter-institutional mechanism, that serves as a forum for dialogue, conciliation, definition and coordination of tasks and policies to enhance the mobilization of resources to be channeled to biodiversity and climate-related actions. Plans include the design of a roadmap and a plan of action that facilitates the organization of agreed processes and that can be validated through implementation experiences in two pilot sites of at least two financial solutions, and then assess their gradual scale up potentials. The JP is a potential SDG accelerator factor in terms of capacity-building, resource pooling and mobilization and legal, institutional and policy framework consistency.

5.2 List of main ToC assumptions to be monitored:

- The political will and high sensibility of the Government in considering natural resources and the environment as a strategic axis of development;
- The regulatory and institutional frameworks for environmental issues continue to be strengthened, in accordance with the update of the economic and social model;
- Progress is being made in mainstreaming environmental issues and climate change adaptation in the development plans;
- The will to establish an infrastructure for environmental finance for the 2030 National Program for Economic and Social Development (PNDES);
- Articulation between the different sectors and key economic actors is being fostered to incorporate the financial dimension in environmental management;
- Effective implementation of the PAM, which includes the gender-sensitive in-depth analysis of environment protection and climate change adaptation, among its measures;
- Progress being made in the process to update the Cuban economic and social model.

7. Trans-boundary and/or regional issues

Covid has changed priorities of national public policies and development strategies, imposing additional challenges to SIDS that have less resources available to meet targets defined in the 2030 Agenda. In the case of Cuba, the challenge is even greater as the country is excluded from IFIs, and has a low level of integration to other international and regional financial mechanisms and its particular geographic matrix of international economic insertion.

The country has very limited articulation to international and regional development banks, which restricts its capacity to pool and mobilize resources using that pathway. It is a member

of the Central American Bank for Economic Integration, the Bank of ALBA, the International Investment Bank (BII) and has signed a Memorandum of Understanding with Corporación Andina de Fomento (Development Bank for Latin America) (CAF); but its level of activity with these institutions is still low. Cuba is part of regional coordination and integration schemes like the Community of Latin American and Caribbean States (CELAC), the Latin American and Caribbean Economic System (SELA) and the Economic Commission for Latin America and the Caribbean (ECLAC), the Latin American Integration Association (ALADI), the Bolivarian Alliance for the Peoples of our America (ALBA-TCP) and it is an observer of the Caribbean Community (CARICOM).

Its level of commercial integration in the region is low, that is why bilateral trade is undertaken under inter-governmental agreements and its main partners are outside the region, which increases trade costs. Moreover, exports are concentrated in a few commodities of little value added, which reduces the country's capacity to secure currency through export revenues. In the last decade, the EU, as a bloc, continues to be Cuba's second most important foreign trade partner, and the second most important tourism issuing market, which is an important source of direct foreign investment flows, and the first offeror of resources under development cooperation. With the Cuba-EU Political Dialogue and Cooperation Agreement (PDCA), new opportunities were created to relaunch bilateral cooperation and links between both parties. The PDCA is transcendental for Cuba, as it formalizes and grants predictability and certainty to its links with a bloc of nations that are relevant for the country's foreign affairs matrix.

Cuba has become a reference for South-South and triangular cooperation, which are essential components of its foreign policy. The country combines the roles of offeror and requestor; but the first is the most relevant, under the bilateral modality. Through this cooperation, Cuba has contributed to strengthen capacities mostly in social areas like Health, Education and other social services and policies, accelerating SDG 3 (Health and wellbeing) and SDG 4 (Quality education). In the current pandemic context, the country has ratified its commitment of assistance and has continued to extend its solidarity to support developing and developed nations.

C. JOINT PROGRAMME DESCRIPTION

1. Baseline and Situation Analysis

1.1 Problem statement

Cuba shares structural weaknesses and vulnerabilities inherent to Small Island Developing States (SIDS) linked to very restrictive domestic markets, heavy reliance on foreign trade and finances, high foreign debts, and significant barriers to harness scale economy. Like most SIDS, it has low levels of economic resilience, which is reflected in a heavy reliance on sectors like tourism and agriculture that are highly vulnerable to climate change impacts and extreme disaster situations brought on by natural weather events.

In the increasingly uncertain and unstable current context of the pandemic, resilience emerges as a key principle in the design of integrated and effective approaches that contribute to risk reduction, disaster prevention and the achievement of sustainable development goals defined at country level. In the case of Cuba, this challenge is even bigger, as it began facing the pandemic in worse off conditions than other SIDS, marked by a slow growth and a high financial vulnerability, in a context marked by the stepping up of the US economic, commercial and financial blockade, lack of hard currency, difficulties to honor foreign commitments and the worsening of the crisis Venezuela, Cuba's major trading partner.

The country has been forced to take on huge costs to deal with the current health crisis at a time when tax revenues tend to slim down due to the suspension or drastic reduction of important economic activities like tourism, which leaves a very limited fiscal space to mobilize domestic resources in the interest of development. This situation is compounded by the inability to have access to credits from International Financial Institutions² (IFIs) and very limited access to other financial sources³, a unique situation that hinders the country's development and reinforces the role international cooperation plays.

Summing up, the current situation of the Cuban economy shows a deterioration of economic and social indicators due to internal factors of the improving economic model, macroeconomic imbalances and high external vulnerability. At least four factors mark the complex situation the country is going through: i) challenges in the process of updating the economic model (ii) stepping up of the blockade, US government economic sanctions and their extraterritorial impacts; (iii) the pandemic and its extremely negative impact on the economic and social deterioration of the country; and (iv) implementation of the monetary overhaul ("tarea ordenamiento"), that although it might seem extremely necessary, entails a complex process of adjustment which will have long term benefits and cumbersome immediate costs.

In environmental issues, Cuba stands out for its internal capacity for disaster risk reduction integrated management. Cuba has a National Environmental Strategy (EAN, its Spanish acronym) (updated for 2021–2026), a National Biodiversity Program (PNDB 2016-2020)⁴ and a State Plan to Address Climate Change, known as Tarea Vida⁵. The protection and preservation of the environment is one of the Cuban State priorities, and as such it is enshrined in the Constitution of the Republic⁶, and in all key program documents that make up the country's mid-term and long-term strategic economic, social and environmental plan. These documents include: *the Conceptualization of the Cuban Socialist Economic and Social Development Model*, *Update of the Economic and Social Policy Guidelines for 2021-2026*, and *the Bases for the 2030 National Economic and Social Development Plan (PNDES, its Spanish acronym)*.

² The International Monetary Fund (IMF), The World Bank (WB), and the Inter-American Development Bank (IADB).

³ See Update Document to the Secretary General Report (A/75/81) on Resolution 74/7 of the United Nations General Assembly, titled Need to put an end to the economic, commercial and financial blockade imposed by the United States of America against Cuba. <https://www.un.org>

⁴Ministry of Science, Technology and Environment. Cuba National Program on Biological Diversity 2016-2020, 2016.

⁵ It comprises 5 strategic actions and 11 tasks seeking to counter impacts in the country's most vulnerable areas. It was approved by the Cuban Council of Ministers on April 25, 2017.

⁶ Article 16 (f) promotes the protection and preservation of the environment and the need to address climate change that threatens the survival of the human species, on the basis of the acknowledgement of common but differentiated responsibilities; the establishment of a fair and equitable international economic order and the eradication of irrational production and consumption patterns.

The PNDES⁷ addresses the main development challenges and defines six strategic axes aligned with the goals of the 2030 Agenda for sustainable development and comprises an integrated system of strategies, policies and actions with a multidimensional approach. The Macro-program of Natural Resources and Environment is divided in two major programs; the first is linked to the implementation of the EAN and the second addresses climate change and disaster risk reduction. In turn, these programs are divided in projects that cover, inter alia, issues like the strengthening of the institutional and legal framework, protection and sustainable use of natural resources; sustainable consumption and protection; circular economy; and financial sustainability. Three of the objectives of this Macro-program address areas where a gender-responsive approach is crucial, which is consistent with the priority given to this issue in the country.⁸

Environmental protection and climate change-response policies have been stepped up and public awareness on these matters has increased. The Country Common Analysis (CCA) acknowledges that the most important environmental challenges are the progressive degradation of natural resources and a significant degree of environmental pollution and deterioration; adding poor water availability and quality, climate change impacts, and the lack of resources to solve those problems. The CCA also identified the lack of environmental statistics and the need to strengthen the capacity to reduce the risk of disasters caused by natural phenomena, as gaps in the achievement of the 2030 development goals.

Concerning environmental finance, the treatment given in Cuba to environmental policy financial mechanisms and instruments is still limited and not fully institutionalized and articulated. There is a National Environmental Fund (FNMA, its Spanish acronym)⁹ established under Law 81 on the Environment of 1997; but all its potentials, fully acknowledged in said legal framework, are not effective. Today its financial sustainability is solely ensured through the state budget. Other environmental finance management instruments are the National Forestry Development Fund (FONADEF, its Spanish acronym), the National Soil Improvement and Conservation Program (PNMCS, its Spanish acronym) and environmental taxes¹⁰. However, the capacities said Funds have to channel resources is limited because their resources come from the State budget and the gradual implementation of environmental taxes, pursuant to the Tax Law, has advanced discreetly.

Additionally, the adherence of the country to Multilateral Environmental Agreements has opened up the possibility to use financing sources for biodiversity and addressing climate change; but all opportunities are yet to be tapped, because access requirements are complex and there is insufficient experience in project formulation.

In this context, the experience with BIOFIN is an important antecedent for this joint program, as it allowed for the establishment of the bases for the creation –for the first time in the country– of an institutional dialogue platform for environmental agencies and economic and financial entities¹¹. It identified the existing policies, guiding documents and programs that cover aspects like the use and conservation of biodiversity in various economic sectors, but

⁷ National Plan for Economic and Social Development until 2030, June, 2017

⁸ Goal 1 related to the strengthening of institutions, the legal framework and environmental education, culture and awareness, with a gender-sensitive approach; Goal 4, focuses in coping with climate change, emphasizing adaptation, where progress has been made in gender-responsiveness; and Goal 5, related to disaster risk reduction, with active participation from the society, including the identification and attention to the differences between men and women in their broad diversity.

⁹ National Assembly of People's Power. Law 81 of the Environment, 1997

¹⁰ Including taxes for the use or exploitation of beaches; use and exploitation of bays and for the authorized dumping of wastes in watersheds.

¹¹ The BIOFIN Coordinating Group and its BOD include representatives and officials of the Ministry of Science, Technology and Environment, the Ministry of Finance and Prices, the Ministry of Economy and Planning, the Cuban Central Bank and the National Statistics and Information Bureau.

only those related to protected areas and the forestry and mining sectors have a specific financing mandate and even then, with significant inadequacies in terms of implementation. It also showed that there are institutional gaps which limit a systemic and integrated approach to sustainable development-related issues and the rational use of natural resources, which hinders the implementation of approved policies.

BIOFIN identified that there are policies, guiding documents and programs that address aspects of the use and conservation of biodiversity in various economic sectors, but that only have a specific mandate for the financing of biological diversity, those related to protected areas, the forestry and mining sectors and, with visible inadequacies in terms of implementation; also identified that there are institutional gaps that limit the attention in a systemic way and with a comprehensive vision to the problems of sustainable development and the rational management of natural resources, which hinders the implementation of approved policies.

Through this initiative, biodiversity expenses were estimated for the 2010-2016 period, amounting to 5.362 million Cuban pesos, the costs of the 20 Goals and 86 % of 2016-2020 PNDP actions were likewise estimated. As a result of that exercise, it was determined that, to execute that Program, the country would require a total of 1.506 million pesos and it only had 721 million, therefore 52% of the required total is lacking¹². This contribution of BIOFIN is important, given the lack of an environmental accounting system and the limited statistical information available, which prevents identifying current and investment expenses in environment and within them in biodiversity, in enterprises and in state entities. Environment-related incomes and expenses are not defined in the Cuban accounting standards or in the budget liquidation structure. Hence, it is not possible to accurately know the amounts that go to biodiversity conservation and sustainable use, climate change adaptation and mitigation activities and estimate additional resources to be mobilized.

However, in relative terms, there is a favorable behavior since biodiversity expenses estimated by BIOFIN¹³ in respect of the GDP show an increasing trend, higher than the regional mean. While in 2010, this relation barely represented a 0.64% of the GDP, in 2016 it accounted for 1.30%, well above the 0.14% reported by other countries of the BIOFIN initiative in Latin America.

In addition, other environmental funds are in operation, such as National Environmental Fund (FNMA), established under Law No.81 of the Environment of 1997, but not all the potentialities recognized in said legal framework are activated, guaranteeing now its financial sustainability only through the state budget. Other instruments for environmental financial management include the National Forest Development Fund (FONADEF), the National Soil Improvement and Conservation Program (PNMCS) and environmental taxes. However, the capacity of these Funds to channel resources is limited because their resources come from the State budget and the pace of gradual application of environmental taxes, contained in the Tax Law, advances discreetly.

The knowledge gap in key stakeholders and state and non-state and entities regarding environmental and financial issues, constitutes another significant barrier reflected on approved policies –especially at the local level– which neglect the role of environment and biodiversity in particular, as the fundamental basis for development by promoting endogenous resources. Likewise, there is no political definition on environmental finance and, therefore,

¹² Source: Reports of the BIOFIN initiative, Cuba. Component 2 Biodiversity cost analysis (2018) and Component 3 Financing needs analysis (2019)

¹³ Source: BIOFIN Initiative Reports, Cuba. Component 2 Analysis on biodiversity expenditures, page 65, (2018).

there are no legal, institutional and regulatory frameworks in place, and certain regulatory gaps in the current implementation of financial instruments are observed.

The non-state sector lacks experience in mobilizing financial resources for environmental management and there are no demonstrative sites in place for its practical implementation in order to assess its potential replication at a larger scale. This is an emerging sector covering over 30% of employment in the country, which can accelerate productive transformation and post-Covid recovery. This sector, which has been prioritized in the Cuban economic and social strategy, has no access to international and national financial mechanisms and its capacities to integrate sustainable elements are limited.

The identified problem is that, while Cuba shares SIDS vulnerabilities, it has defined an Environmental and Natural Recourses macro-program with ambitious objectives in line with the SDGs and has the experience of initiatives like BIOFIN that has set guidelines for addressing environmental finance; it has not succeeded in harnessing environmental finance opportunities at national and global levels, and the current mobilization of resources destined to the execution of the actions required by the country in this area is insufficient; due to knowledge gaps and regulatory and institutional gaps that still exist.

In the wake of these challenges, and in a highly restricted external and internal financial context, supporting an “Environmental Finance Enabling Framework to Accelerate SDGs in Cuba” would provide the country with a coherent and articulated inter-institutional mechanism for dialogue, coordination, definition and articulation of actions aimed at mobilizing and channeling resources for biodiversity and climate change adaptation actions, thus contributing to advance SDGs.

Hence, the joint program will help authorities in the establishment of an inter-institutional mechanism of key stakeholders for environmental finance under a coherent framework to facilitate the identification of resource gaps, available opportunities and restrictions in using them and align incentives with the financing needs and priorities set by the 2030 National Economic and Social Development Plan (PNDES, its acronym in Spanish.) All this will help channel greater flows of internal and external resources for a more resilient post-Covid economy and accelerate the achievement of SDGs by reinforcing the means of implementation and contributing to improve the National Integrated Financing Framework (MNIF, its acronym in Spanish) that is being currently developed.

The proposed project is consistent and in line with the financing commitments adopted at the Biological Diversity Convention, the United Nations Framework Convention on Climate Change, the Convention to Combat Desertification and Drought, as well as in other programs and strategies of the international agenda, namely, the Barbados Action Program, the Mauritius Strategy, the Samoa Trajectory, the Paris Agreement, the objectives defined in the Sendai Framework for Disaster Risk Reduction and the Addis Ababa Plan of Action.

Understanding the gender-sensitive architecture of environmental finance is another challenge that the Joint Program expects to address in an integrated manner. On the one hand, it will reinforce the Environmental Finance Enabling Framework that is being supported and, on the other, it will harness this opportunity to continue contributing to gender equality and the empowerment of women through the joint work of national authorities.¹⁴

¹⁴ The JP recognizes that, in the country, participation in disaster risk management, vulnerabilities, impacts, capacities and effective measures to cope with environmental disasters are gender differentiated. These gender differentiations and inequalities have been included in related initiatives such as Basal (see Annex 1) and it is valid to take them into account in the environmental finance architecture.

The country has a “State Agenda for Gender Equality” summarized in the “National Program for the Advancement of Women (PAM)”, that continues the efforts to advance gender equality in Cuba and institutionalizes this legitimate right. However, it is still necessary to support gender mainstreaming in the collection of statistical information, including environmental information, in order to ensure adequate funds for disaster risk management and climate change response.

The JP will contribute to the implementation of the PAM, especially regarding the gender approach and its practical application in environmental protection and climate change adaptation issues. Moreover, the proposed gender-responsive Enabling Framework will ensure the visibility and inclusion of the gender dimension in the evaluation of environmental problems, which is essential to compete for the financial resources of environmental and climate funds that have incorporated the gender dimension into their policies and operations and have acknowledged women’s rights as inalienable and indispensable rights for sustainable development.

1.2 Target groups

Direct target groups:

- Executive and technical staff from the Central State Administration Agencies will benefit because the project contributes to reinforce their development financing-related policies, by integrating the environmental dimension in conformity with the MIFD.
- Persons from other sectors will benefit with the possibility of accessing an inter-institutional and inter-stakeholders platform which will allow them to explore, based on the environmental financing gaps identified, a whole range of financing opportunities at national and international levels, as well as the ways and best practices to channel them.
- Actors in the non-state sector (MSMEs, cooperatives, and peasant farmers) who, on an inclusive basis, will access new sources of financing.
- Rural population of the selected pilot sites (21,237 people, 9,875 of them women).
- Federation of Cuban Women (FMC), at the national and territorial level will benefit because Project actions are in line with the PAM thus contributing to its implementation.

The group of recipient persons belongs to the following entities:

- Ministry of Science, Technology and Environment (CITMA) and its associated entities (Cuban Industrial Property Office (OCPI), National Environmental Safety Office (ORSA), National Standardization Office (ONN), International Project Financing Management Office, Territorial Delegations, Environmental Agency and research centers).
 - Ministry of Economy and Planning (MEP), Ministry of Finances and Prices (MFP), Central Bank of Cuba (BCC), Ministry of Foreign Trade and Investment (MINCEX), National Office of Statistics and Information (ONEI).
 - Other Ministries and state entities: Ministry of Agriculture (MINAG), Ministry of Tourism (MINTUR), Ministry of Industries (MINDUS), Ministry of Food Industry (MINAL), National Institute of Hydraulic Resources (INRH), Group of Biotechnology and
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Pharmaceutical Industries of Cuba (BioCubaFarma), Ministry of Domestic Trade (MINCIN), Ministry of Transport (MITRANS), among others.

Indirect target groups: The benefitted executive and technical staff of:

- Commercial Banks that will strengthen their capacities and implement new inclusive financial measures.
- FNMA, FONADEF and the Program for Soil Conservation and Management.
- Municipal and provincial governments and territorial SDG groups (SDG Lab), which will strengthen their capacities and design and implement development plans with a strategic view.
- National Group on Environmental Indicators.
- National NGOs (National Association of Economists and Accountants (ANEC), National Association of Small Farmers (ANAP), Cuban Association of Agricultural and Forest Technicians (ACTAF.)

1.3 SDG targets

The outcomes of this Project will have a significant impact on the implementation of the 2030 Agenda in the country given the crosscutting nature of environmental finance in economic resilience. It will practically impact all SDGs, but the following are the ones with which there are more synergies:

SDG 17: Partnerships for the goals. Strengthen the means of implementation and revitalize the global partnership for sustainable development.

Targets: 17.1, 17.3, 17.14, 17.19

SDG 15: Life on land. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

Targets: 15.9,

SDG 13: Climate action. Take urgent action to combat climate change and its impacts.

Targets: 13.2,

SDG 12: Responsible consumption and production.

Targets: 12.2,

Other SDG accelerating targets impacted by the Project: 2.4, 9.3, , 5.c,

The information source to be used to measure the progress of the program will be that channeled through the National Office of Statistics and Information of Cuba (ONEI, its Spanish acronym), but it is not possible to define the baselines yet. The lack of a System of Environmental Economic Accounting is a major limitation to capture required information. Though Resolution 925/2018 of the Ministry of Finances and Prices approving the Specific Accounting Standard No. 11 *Environmental Accounting* was passed in 2019, enabling the collection of information on incomes and expenditures for the conservation and sustainable use of biodiversity and ecosystems, this is not enough. Besides, there have been implementation gaps, given the short time that has elapsed since its approval.

The applicable methodologies of ONEI, as well as other new ones such as those of the Budget, Implementation and Liquidation Preliminary Draft and the "SDG Lab" –a technological and

dialogue platform to consolidate the alignment of the SDGs with the 2030 National Plan, supported by the SDG Fund– will be used.

Building capacities among key stakeholders for managing environmental finance is linked to the innovative development financing mechanisms, which allow to raise funds or foster actions in the three dimensions of sustainable development, accelerating the attainment of SDG 17, since additional resources from different sources, including domestic resources, will be mobilized and effective concrete capacities will be built to back the national SDG implementation plans, improving the consistency of the sustainable development policies and fostering public-private and civil society partnerships.

This, in turn, will allow the establishment of important synergies with another group of SDGs with targets focused in mobilizing resources to either address the impacts of climate change (SDG 13), protect the life of terrestrial ecosystems^{15.9}, , Hence, the environmental finance enabling framework proposed, by increasing the availability of resources and mobilizing a higher volume towards the Environment and Climate Change strategic sector, will improve environmental quality, promote sustainable consumption and production patterns, and contribute to promote a more resilient, inclusive and diverse economic development, and will significantly contribute to accelerate the attainment of Targets 12.2, 9.3, 5.c,

The enabling framework will foster national initiatives to mainstream the subject of responsible consumption (contribution to SDG 12.) The country pays attention to the reduction of single use plastics and gives priority to the effective management of shared natural resources and the way in which toxic waste and pollutants are eliminated. Hence the importance to urge industries, businesses and consumers to recycle and reduce waste and move towards sustainable consumption patterns by 2030. In this context, the enabling framework will not only articulate the management of environmental finance in terms of mobilizing financial resources but will also the non-financial resources as well, since the latter are essential to change the current production and consumption patterns transcending SDG 12 and establishing significant synergies with SDGs 17, 15 and 19. Hence, an effective mechanism to coordinate and channel exchange of experiences, knowledge, technological transfer and technical assistance, will boost the sustainable development priorities of the government, as is the case of circular economy.

In terms of climate change, on the other hand, contributing to build the capacities of key national and local stakeholders on environmental microfinance and other financial solutions, will have a direct impact on the 3 targets of SDG 13, but also on target 1.4 related to access to financial services, as well as on target 2.4, since a gender-responsive pilot demonstration will be carried out in two non-state target areas linked to food production, contributing to accelerate the attainment of SDG 2 and SDG 5.

In addition, there are important synergies between certain SDGs considered key issues in development interventions and which are relevant to this joint program due to their crosscutting nature, such as: gender equality and the empowerment of women (SDG 5) given gender mainstreaming in environmental finance; risk management and resilience, particularly in the wake of disasters (SDG 13), given the country's inherent vulnerability as an SDIS and Cuba's limitations to access traditional external financing; and statistics and information (SDG 17), given the importance of environmental statistics availability to capture environmental expenditures and incomes. Potentially, the Project will contribute to accelerate the attainment of those targets. To allot resources to biodiversity implies allotting resources to development, since biodiversity is the source of all raw materials in any process. The more resources mobilized to finance biodiversity, the more availability of financing to implement actions under the PNDES, which is in line with the SDGs.

1.4 Stakeholder mapping

- Key stakeholders in the implementation of the Project:

- CITMA: Agency of the Central Administration of the State in charge of proposing the environmental policy and guiding its implementation through the coordination and control of the country's environmental management, fostering a coherent integration to contribute to sustainable development. Leading actor in the inter-institutional coordination efforts.
- MEP: Governing body of the national economy. Chairs the National SDG Group and ensures the incorporation of the SDGs in the development plans and strategies of the national economy. It also takes care of the proper allocation of resources to accomplish that purpose, and will coordinate the actions and activities related to the 2030 Agenda implementation.
- MFP, which has the mission to propose to the State and the Government the financial, budgetary, fiscal, accounting, treasury, assets, prices and public credit policies, as well as insurance-related policies and once approved, is in charge of directing and supervising their compliance to improve the quality and performance of public services.
- BCC. Entity in charge of regulating the banking and financial system and adequate operation of the payment systems, acting as the entity in charge of formulating and implementing a timely and reliable monetary policy in order to contribute to the economic development of the country.
- ONEI: Assumes the informative pillar. It will be in charge of compiling the statistical information to accomplish the 2030 Agenda, to prepare the relevant reports.
- MINCEX, its Spanish acronym): In charge of international cooperation and development. It will contribute with its experience as it served as the focal point for the accomplishment of the Millennium Development Goals by our country.
- National SDG Group, made up by representatives of national entities that make up the Working Group of the 2030 PNDES.

Other key stakeholders actively involved in the mechanism:

- Entities associated with CITMA (Cuban Intellectual Property Office (OCPI), National Environmental Security Office (ORSA), National Standardization Office (ONN), International Project Financing Management Office, Environmental Agency and research centers, National Environmental Indicators Group.)
- MINAG: Governing body for policies related to several environment components, soils, plant health, and animal health, among others and has a direct and indirect impact on biodiversity.
- MINDUS: In charge of the recycling and packaging policy. Is one of the leading actors in the implementation of the circular economy policy.
- MINTUR: Manages and implements the tourist policy in the country.
- General Comptroller of the Republic, which monitors information to supervise the commitments regarding the attainment of the SDGs and the National Plan.
- MES. Academia / Universities (experts on Cuban economy, environmental and development financing/SDG issues) that play a role in transferring methods and good practices, providing advisory services, leading training processes and contributing to innovation.

- National Office of Industrial Design (ONDI): Under the Ministry of Industry, directs and organizes design in the country. It also proposes, organizes and implements the state policy on Industrial Design and Visual Communication, with a national scope.
- FMC at the national and local levels. The FMC, the National Mechanism for the Advancement of Women, leads and supports gender mainstreaming in sustainable development and the implementation of the PAM, the policy with which actions for gender mainstreaming in environmental finance issues will be in line with.

Other recipient stakeholders involved:

- Commercial banks, which strengthen their capacities and implement new inclusive financial measures.
- FNMA, FONADEF and the Program for Soil Management and Conservation.
- Provincial and municipal governments, and the local SDG Groups (SDG Lab), which strengthen their capacities and design and implement development plans with a strategic vision.
- Non-state sector (SMEs, cooperatives, and usufructuary farmers.)
- National NGOs (National Association of Economists and Accountants of Cuba (ANEC, its Spanish acronym); National Association of Small Farmers (ANAP, its Spanish acronym); Cuban Association of Agricultural and Forest Technicians (ACTAF, its Spanish acronym.)

United Nations System:

United Nations System Agencies- UNEP and UNDP (Lead Agency)

2. Programme Strategy

2.1. Overall strategy

The JP proposal has a transformational and innovative nature since it: (i) incorporates the financial issue into environmental management and the development funding strategy of the country; (ii) involves, for the first time, non-state stakeholders in mobilizing financial resources for environmental management; (iii) addresses environmental finance-related knowledge, policy, regulatory and implementation gaps, including gender-responsive social equality, and (iv) capitalizes on opportunities to generate additional financial resources with the application of new and innovative solutions.

This is a distinctive proposal since: (i) it is projected as inter-institutional mechanism for environmental finance management, articulating stakeholders and processes at national, sectorial and territorial levels; (ii) is underpinned by a roadmap and a plan of action to ensure its implementation; (iii) focuses on the mobilization of internal resources by exploring new opportunities associated with responsible production and consumption; (iv) aims at enhancing understanding regarding gender-responsive environmental financial architecture; (v) implements for the first time –in pilot interventions– financial solutions for non-state economic activities for sustainable biodiversity and climate change management, promoting microfinances and contributing to gender and generational equality, and (vi) proposes to project revenues from innovative financial solutions implemented at global level (bio-economy, blue economy, ecological fiscal transfers, among others).

The general objective of the global intervention strategy is to develop an *Environmental Finance Enabling Framework to accelerate SDGs in Cuba*. Given the crosscutting nature of

environmental funding in economic resilience, the expected outcomes of this Project will have a significant impact on the implementation of the 2030 Agenda in the country, as well as a direct impact on 10 targets of 7 SDGs. Project contributes to achieve outcomes defined in two strategic priorities of the 2020-2024 UN Strategic Framework for Sustainable Development Cooperation in Cuba: Environment and disaster risk management and Productive Transformation. This contributes to the 3 outputs of **direct impact 3** of the first axis: *Institutions, productive and service sectors, local governments and communities improve the rational use and protection of natural resources and ecosystems, climate change resilience and risk reduction integrated management*. It also contributes to output 2.4 “Strengthened key stakeholders and institutional capacities to manage funding sources, including FDI” of **direct impact 2** of the productive transformation axis.

In this regard, the UNS added value is its international experience in substantial contents associated with environmental, financial, development and management projects. The implementing agencies will facilitate: knowledge exchange on best practices associated with biodiversity and climate funding initiatives; technical assistance to strengthen institutional and national/local government capacities; socialization and transfer of methodologies, environmental finance-related statistical programs and technological platforms; implementation of innovative solutions to development financing, and supporting the country to strengthen efforts related to key gender dimensions in sustainable development.

The UNDP and the UNEP will be the key partners supporting the abovementioned issues and will serve as a bridge for eventual dialogues with financial institutions, development banks and environmental and climate funds.

The exchange of experiences with other projects will contribute to create positive synergies and implement lessons learned from previous exercises. The methodological tools provided to the country by the BIOFIN initiative and its main outcomes (approval of a biodiversity funding plan with 20 new or improved solutions to be implemented by 2025), as well as the CPP P3 and ECOVALOR experiences in implementing biodiversity funding solutions at different levels will also be relevant.

Through the GCF-Readiness Project, initial capacities were created for Cuba’s access to the Green Climate Fund (GCF) by establishing an inter-ministerial coordination committee to address the funding of climate change adaptation and mitigation projects. Likewise, a Non Objection procedure was established; a Country Program with the GCF was developed and guidelines were drafted for the application of environmental and social safeguards to CC adaptation and mitigation projects.

Another reference initiative is the United Nations Environment Programme Finance Initiative (UNEP FI), a partnership between UNEP and the world financial sector to mobilize private sector funds for sustainable development. The UNEP also addresses sustainable development with local financing sources through different financial mechanisms like microcredits and parametric insurances, particularly the Microfinances for Ecosystem-based Adaptation (MEbA) program, seeking to provide vulnerable rural and peripheral urban populations access to microfinancial goods and services that will allow them to invest in activities to increase their incomes and protect ecosystems by increasing climate resilience.

Gender-related outcomes and knowledge as a result of the JP implementation supported by ECLAC/UNDP: “Support to develop an Integrated National Financing Framework for the SDGs in Cuba”, is another reference that should be highlighted.

The proposed inter-institutional mechanism will facilitate interaction with the abovementioned initiatives, in order to enhance the scope of environmental finance scope, since they include proposals contained in the biodiversity Funding Plan formulated by BIOFIN, as well as other innovative solutions associated with climate change adaptation and mitigation. This project, together with BIOFIN, will support the country's request to mainstream resource mobilization for the Macro-program Projects of the 2030 PNDES. The proposal backed by the synergies expressed, intends to scale up the matter, given the government's request to establish an environmental finance enabling framework in the country, underpinned by a structure and roadmap to be followed, supplemented by regulations of the Cuban environmental policy, as a fundamental pillar to achieve the SDGs.

The project will be led by CITMA, in close cooperation with the Ministry of Finance and Prices that will work directly with the implementing entities. The Ministry of Economy and Planning will provide valuable support as it will be in charge of allotting resources to achieve the 2030 PNDES and monitoring the mainstreaming of SDGs in development plans and strategies.

Once the project is concluded, the country will be in a better position to diversify its financing sources and advance in the implementation of the SDGs, under the rationale that devoting resources to biodiversity is devoting resources for development, as an inclusive and gender responsive priority. The more funds mobilized for biodiversity, better capacities to implement PNDES priority actions in line with the SDGs. The proposed Enabling Framework will contribute to better environmental finance management, paving the way for defining a policy on this matter and its incorporation into the Integrated National Financing Framework (MNIF, its Spanish acronym.)

2.2 Theory of Change

In Cuba, the National Plan for Economic and Social Development (PNDES) until 2030 has defined a strategic axis of Natural Resources and the Environment¹⁵ from which a macro-program with ambitious objectives aligned with the SDGs is derived and has the support of experience from initiatives as BIOFIN, which have established guidelines to address environmental finance¹⁶. However, it has not been able to fully harness available opportunities at national and global levels, or mobilize the required resources due to existing knowledge, regulatory and institutional gaps; poor understanding of the role of environment in sustainable development and ignorance of local productive stakeholders about how financial solutions can benefit biodiversity and climate change mitigation. In the wake of these challenges, and in a highly restricted external and internal financial context, supporting an "Environmental Finance Enabling Framework to Accelerate SDGs in Cuba" would provide the country with a coherent inter-institutional mechanism for financial management, providing a space for dialogue, coordination, definition and articulation of tasks and policies aimed at mobilizing and channeling resources for biodiversity and climate change adaptation actions.

The change this joint program seeks to achieve is *the creation of an enabling framework for effective environmental finance management, through an inter-institutional mechanism, that coordinates key national and provincial entities and stakeholders*. If an enabling framework for the management of environmental finances, gender- and age-sensitive is designed, and

¹⁵ It also has a State Plan to confront climate change (Life Task), a National Environmental Strategy (EAN), an Environment Law and a PNDB.

¹⁶ There is a financial plan, but only for biodiversity. Expansion and scaling are needed with the participation of other sectors and territories, supported by an inter-institutional and territorial structure that does not exist today for environmental finance and that can be achieved with the creation of the enabling framework proposed by the Joint Program.

integrated into the country strategy for financing development, and the technical capacities of key institutions and actors are improved; the creation of an inter-institutional mechanism is facilitated that can explore new sources of financing, diversify environmental flows at the local and international level, and assign and manage these resources to be effective in overcoming the challenges of biodiversity and confronting climate change, with which, in addition, it would be promoting the achievement of the SDGs by strengthening its means of implementation.

To achieve the expected change, however, advances must occur simultaneously in other interrelated changes that respond to challenges that have already been identified at governmental level. Given the crosscutting nature of environmental finance for economic resilience and the complex articulation of determinants of the issue addressed, one same challenge is linked to various solution pathways to achieved expected results at results level and, at the same time some challenges are common to all of them. That is the case of the lack of disaggregated environmental statistic data and the inadequate attention given to the issue of gender in environmental finance solutions.

In this context, the *creation of an enabling framework for the planning, management and mobilization of resources of environmental finance in Cuba*, constitutes the first expected Outcome of the Joint Programme. To attain that goal, it has been identified that there are knowledge and understanding gaps on the importance of implementing financial solutions for biodiversity that ensure its preservation and sustainable use; an inadequate environmental finance legal and institutional framework and regulatory and implementation gaps of the scarce existing regulations; and a limited development of IT tools for environmental finance information management that is integrated to national information systems.

The causality analysis carried out, provided necessary elements to identify key solutions that respond to challenges and facilitate the advance towards the desired change.

If the existing knowledge on environmental finance is mapped in terms of policies, regulations as well as programs and initiatives applied in this matter, **then** the establishment of an inter-institutional coordination mechanism that addresses the gaps in the implementation of environmental protection and climate change will be becomes clearer, especially for key institutions and stakeholders; strengthening their capacities in environmental financing, including awareness-raising processes and their link with gender dimensions and other social and environmental safeguards.

Thus, capacity-building of key institutions and stakeholders fosters the effectiveness of the inter-institutional environmental finance mechanism and turns the designed enabling framework in a transforming and innovative coordination forum that will contribute to bridging identified gaps, defining and implementing environmental and green finance policies, giving visibility to the issue through the developed IT platform and connected to the SIAN and that contributes in a crosscutting and specific manner to the promotion of gender and generational equality in financed environmental and green responses.

The Second Output of this JP is: *Environmental finance is integrated into national policies through a roadmap that will accompany the country in mobilizing resources until 2030*. **If** the country has a roadmap and an action plan for environmental finance, **then** a better implementation, coordination, planning, mobilization and monitoring of the financial resources required for Cuba can be undertaken; at the same time, there is an impact on a higher visualization and reduction of gender and generational inequalities in access to resources, as well as on the participation of women and young people in decision-making processes. Thus,

the availability of financing is improved, helping to accelerate the achievement of the SDG targets related to resource mobilization.

The roadmap plans to include the steps the country must take in terms of environmental education, development, standardization, adjustment of laws, capacity building, the gradual incorporation of each sector, as well as reporting and verification methods. To achieve the desired change it is necessary to address challenges related to the lack of structures and mechanisms in the country to articulate environmental finance; the current dispersion of environmental finance-related actions and their disarticulation from the development finance strategy of the country; and those related to environmental statistic information problems and the lack of accounting records.

As part of the solution path to such challenges it is proposed to call on stakeholders to design and agree on a roadmap for the introduction of environmental finance in the country that: (i) streamlines the process; (ii) considers existing financial solutions and approved under the BIOFIN Financial Plan; (iii) incorporates other green finance-related solutions, bioeconomics, blue economy, green fiscal transfers, debt for nature swaps and green stocks; (iv) plans resource mobilization for the 2030 implementation proposal by the country of financial solutions for biodiversity conservation and climate change adaptation; (v) is inclusive and promotes the participation and leadership of various stakeholders and social equity conditions (gender-, age- and territory-sensitive) ; and (iv) serves as gateway for other projects. This instrument will contribute to consolidate the financial system and strengthen the economy of the country, in line with the national, regional and global objectives.

The roadmap will be accompanied by a plan of action that will identify the actions to be implemented, those in charge of their implementation and deadlines. A gender-responsive awareness-raising campaign and dissemination program are needed to enhance knowledge about the role played by the environment in sustainable development, as well as the need to enhance its financing sources through processes that ensure the inclusion, diversification and innovation of the different social actors.

A roadmap and a plan of action for environmental finances in place will consolidate the performance of the inter-institutional mechanism created since they will provide the implementation means for the process of coordination, planning, mobilization and monitoring of the financial resources required, while fostering wider visualization and greater prospects for reducing gender and generational inequalities regarding access to environmental management resources and benefits, as well as participation of women and youth in the decision-making process in this regard. As a result, financing availability will improve and this will contribute to accelerate the attainment of SDGs related resource mobilization.

Finally, the last expected result is: *Enhanced mobilization of additional resources for Cuba from the implementation of 2 innovative environmental finance solutions in the non-state sector.* To achieve the expected effect proposed, challenges associated with the poor development of the microfinance sector in the country and poor knowledge about MEbA; lack of knowledge by local producers regarding the benefits of financial solutions for biodiversity; poor experience in mobilizing financial resources for environmental management in the non-state sector; weaknesses in terms of education and implementation of practices favoring gender equality in solving environmental challenges and addressing climate change; and the lack of demonstration sites where financial solutions for biodiversity that facilitate further scale up are implemented, should be reversed.

To address such challenges, the following actions are proposed as a solution: make a diagnosis of the pilot sites to determine their characteristics and potentials; establish the basis

for a gender-sensitive national MEbA model that includes a climate risk management methodology and a program for granting micro credits; train implementing agencies and at least 25% of key local actors (financial, banking and governmental institutions, producers, cooperatives); define the financial solution(s) for a more functional biodiversity in each pilot site and a registration system for its economic evaluation; and project in each pilot site the possibilities for mobilizing additional resources, based on the implementation of the financial solution(s) defined, including MEbA.

If a diagnosis of the pilot sites is conducted to determine their characteristics and potentialities, the bases for a national model of gender-sensitive MEbA are established, which includes a proposal for a climate risk management methodology and a scheme for granting microcredits, the implementing entities are trained (at least 25% of the key local actors), the financial solution (s) for biodiversity with the greatest functionality is determined in each pilot site and a registration system for its economic evaluation; **then**, the possibilities of mobilizing additional resources from the implementation of the defined financial solution (s), including the MEbA, may be projected until 2030.

This projection will provide a clearer notion of how much the project can be scaled up in the future, depending on the size of the additional resources that can be channeled and their effectiveness. Besides, once the expected result is achieved, the capacity of key local actors to mobilize financial resources in the non-state sector and incentivize the use of microfinance in a sector lacking experience in this type of practice will have been strengthened.

The JP will support the country in the design and implementation of the enabling framework proposed. The UNDP and UNEP, in close partnership, will support the requirements identified to build institutional capacities and inter-institutional mechanisms, favoring the application of an inclusive approach promoting gender equality and rights in the fields and sectors benefited with the cooperation. Relevant information on environmental finance, including MEbA programs will be shared, methodologies and innovative tools for Cuba will be exchanged and their partnership networks and knowledge will be made available to the country.

The underlying **assumptions** to achieve the changes desired and already described are the following: i) the political will and high sensibility of the Government in considering natural resources and the environment as a strategic axis of development; ii) the regulatory and institutional frameworks for environmental issues continue to be strengthened, in accordance with the update of the economic and social model; iii) progress is being made in mainstreaming environmental issues and climate change adaptation and mitigation in the development plans; iv) the will to establish an infrastructure for environmental finance for the 2030 National Program for Economic and Social Development (PNDES); v) articulation between the different sectors and key economic actors is being fostered to incorporate the financial dimension in environmental management; vi) effective implementation of the PAM, which includes the gender-sensitive in-depth analysis of environment protection and climate change adaptation, among its measures; and vii) progress being made in the process to update the Cuban economic and social model.

In addition, external, contextual and operational **risks** have been identified and are described in Annex 6 with the relevant mitigation actions such as: i) the stepping up of the US economic, commercial and financial blockade; ii) the isolation conditions imposed by the COVID pandemic and its potential effects on the implementation of the activities proposed; iii) the impact of the monetary overhaul; iv) inadequate articulation between the multiple institutions involved in the Project; v) the existence of gender stereotypes and sexist sociocultural patterns, which hinder full equality and the empowerment of women in all development fields (including environmental financing).

2.3 Expected results and impact

Three expected outcomes have been determined, requiring a combined-approach strategy. A good starting-point diagnostic will contribute to identify existing gaps and take them into account in the new regulations and methodologies to be designed. An environmental finance roadmap and plan of action can provide the means to implement the inter-institutional mechanism, increasing the availability of financial resources and coherent channeling to priority sectors. The introduction of an environmental microfinance plan and the implementation of at least one additional solution for biodiversity conservation and climate change adaptation and mitigation in two intervention sites, will contribute to validate the mechanism and evaluate its potential gradual scale-up. Moreover, since outcomes are gender sensitive, they significantly contribute to women’s equality and empowerment. Actions aimed at achieving these outcomes have been structured in 9 outputs and included in 34 activities. (Annex 5.3)

In order to achieve **Outcome 1:** *“Created an enabling framework for the planning, management and mobilization of resources of environmental finance in Cuba”*. Three outputs and 13 activities were identified.

Output 1.1 Established inter-institutional coordination mechanism that includes at least 70% of the key institutional stakeholders and 60% of the provinces that stands out for being inclusive and promoters of gender and generational equality.

Output 1.2 Strengthened capacities of stakeholders involved in the inter-institutional mechanism.

Output 1.3 A Digital Platform to address environmental finance providing visibility to gender dimensions and connected to SIAN has been established.

The expected interventions include: mapping knowledge, policy, regulatory and implementation gaps; identifying key institutions and programs contributing to environmental finance; creating an inter-institutional mechanism and formulating its policy and methodological basis; training key stakeholders; raising awareness on gender issues; assessing the performance of this mechanism; implementing a SIAN connected Digital Platform and analyzing its effectiveness.

Achieving the proposed Outcome will contribute to the accomplishment of the following SDG targets:

SDG Targets 17.14, , by supporting: (i) the improvement of environmental finance regulatory and institutional coherence in the country; (ii) foster partnerships among state and non-state stakeholders and NGOs, and (iii) strengthen technical and learning capacities supported by international cooperation on climate and environmental finance issues. (Outputs 1.1 and 1.2)

SDG Targets 15.9, 13.2, by contributing to: (i) increase resource mobilization for sustainable conservation and use of biodiversity and ecosystems; (ii) include ecosystem and biodiversity values in development process planning, national and local accounting, and poverty reduction strategies, and (iii) integrate climate change measures into national policies and strategies. (Outputs 1.1 and 1.2)

SDG Targets 5.c, by supporting capacity building to: (i) approve environmental finance regulations and policies promoting gender equality and the empowerment of women and girls; (ii) improve access to financial services by women and disadvantaged persons due to their

gender identity, and (iii) use information and communication technologies to provide visibility to these issues. (Outputs 1.2 and 1.3)

Outcome 2: *Environmental finance is integrated into national policies through a roadmap that will accompany the country in mobilizing resources until 2030.* In order to achieve this outcome, three outputs and 9 activities were defined;

Output 2.1 An environmental finance roadmap was designed, discussed and agreed with key stakeholders.

Output 2.2 A Plan of Action to implement the roadmap was designed, discussed and agreed with key stakeholders.

Output 2.3 Gender-responsiveness of key local and national institution was strengthened to implement environmental finance roadmap and plan of action, taking into consideration the SDGs targets related to gender equality and the empowerment of women in Cuba.

Outputs are in conformity with the need to systematize, monitor and evaluate the implementation of the inter-institutional mechanism through a time series analysis of the actions to be undertaken, taking into account government priorities, funding opportunities, potential access and gender perspective. The proposed activities include, inter alia: joint elaboration of a roadmap that includes steps to harmonize and adapt legislations; generate capacities and verification and reporting methods and implement innovating financial solutions; draft a plan of action to implement the roadmap, identifying actions, parties in charge, deadlines and projecting the mobilization of additional income to implement financial solutions; gender-responsive dissemination and training regarding environmental finance, placing emphasis on the executive staff and leading men of the involved institutions.

The essential difference between BIOFIN's Finance Plan and Roadmap proposed in the Joint Program, is that BIOFIN laid the foundations for the creation of an institutional platform for dialogue between environmental and financial organizations, formulating a Financial Plan for biodiversity. But this platform works only for the implementation of financial solutions for biodiversity conservation on a pilot scale. Subsequently, the country oversees creating the conditions to replicate or scale the Solutions piloted by BIOFIN, as well as preparing the legislation that allows them to be accompanied. This has a handicap, since the platform for monitoring all the processes that must accompany scaling and replication, requires joint and permanent technical work. That is why this Joint Program proposes to create an inter-institutional mechanism made up of sectorial and territorial actors, which will be the platform for capacity-building, exchange and decision-making in the field of environmental finance in the country. This mechanism will be accompanied by a digital platform, which will serve to interactively exchange information, projects, laws, regulations on environmental finance.

Once this inter-institutional mechanism is established, its actors, together with the groups of the territories, will prepare a roadmap for the country to implement environmental finance, which includes the steps that the country must go through in the matter of environmental education, preparation, harmonization, adaptation of laws, capacity building, gradual inclusion of each of the sectors, reporting and verification methods, among others. The Action Plan, for its part, foresees outlining the strategies, actions, responsible parties and deadlines for their fulfillment, including a projection of mobilization of resources for the implementation by the country of financial solutions, which contribute both to the conservation of biodiversity and to adaptation to climate change.

The Joint Program would expand involved sectors such as: Non-state sector (SMEs, cooperatives, and usufructuary peasants); MINDUS (Ministry of Industry); Ministry of Internal Trade (MINCIN), Ministry of Transport (MITRANS); at the Ministry of Science, Technology and

Environment (CITMA) work with the National Industrial Design Office (ONDI) would be expanded; the Cuban Industrial Property Office (OCPI); the National Office of Environmental Security (ORSA); National Bureau of Standardization (ONN); The Office of International Project Financing Management, the Environment Agency and research centers, the National Group of Environmental Indicators and the Office of the Comptroller General of the Republic. Other actors who join are: Federation of Cuban Women (FMC), Commercial Banks; National funds; Soil conservation and management program; Provincial and municipal governments and territorial SDG groups (SDG Laboratory), National NGOs as National Association of Economists and Accountants of Cuba (ANEC); National Association of Small Farmers (ANAP); Cuban Association of Agricultural and Forestry Technicians (ACTAF)

With respect to territories, the enabling framework has a national scope and the pilots will be developed in municipalities where BIOFIN had not previously worked; in the province of Artemisa (municipalities of Güira de Melena) and in the province of Pinar del Rio (municipality of Los Palacios).

Additionally, is important to point out that the environmental dimension of finances has not been included in financing policy-making in the country and is a very little experience on the matter. It will be promoted the integration of interinstitutional mechanism and roadmap for environmental finance, generated with the Joint Program, into the INFF strategy, with the support of UNDP.

These efforts will help authorities to accelerate the accomplishment of the following SDG targets:

SDG Targets 17.14, 17.1, 17.3, , by contributing with the roadmap and plan of action to: (i) improve the coherence of sustainable development policies by including the environmental finance management dimension; (ii) foster mobilization of additional external and internal resources, and (iii) improve environmental data collection by including non-state sector statistics. (Outputs 2.1 and 2.2.)

SDG Target 12.2, , since the roadmap and the plan of action will help to promote a more resilient, inclusive and diverse economic development by fostering the protection and sustainable use of biodiversity, improving environmental quality and promoting sustainable production and consumption modalities. (Outputs 2.1, 2.2, and 2.3.)

SDG Targets 13.2, 15.b, 9.3, by helping to strengthen the mobilization of financial resources to protect terrestrial ecosystems (15.a, 15.b), address climate change impacts (SDG 13), build a resilient infrastructure, and promote sustainable industrialization (Outputs 2.1, 2.2, and 2.3.)

SDG Target 5.c by supporting the strengthening of institutional competences to: (i) implement, under the guidance of the executive staff, the environmental finance tools contributing to gender equality; (ii) influence decision making regarding more access to financial services by women and disadvantaged persons due to their gender identity, and (iii) use information and communication technologies to provide visibility to the relevance of inclusive and gender-responsive environmental finance.

Outcome 3: *Enhanced mobilization of additional resources for Cuba from the implementation of 2 innovative environmental finance solutions in the non-state sector.* To achieve this expected Outcome, 3 outputs and 12 activities have been defined.

Output 3.1: The basis for a gender-sensitive national MEbA model has been established, allowing key local stakeholders (micro-financial institutions, cooperatives and beneficial owners, public stakeholders) to know more about the potentials of MEbA taxonomy and the risk management methodology, and to implement a financial pilot mechanism.

Output 3.2: Capacities have been built for the implementation of a pilot financial mechanism for MEbA that will contribute to mobilize additional resources for climate change adaptation.

Output 3.3: Mobilization of additional resources up to 2030 for gender-responsive biodiversity conservation and climate change adaptation actions has been projected, with the implementation of at least two financial solutions, including microfinance, in two pilot sites.

The two pilot sites will involve producers from two farms belonging to agricultural cooperatives with experience in the application of good practices for biodiversity and climate change adaptation. The activities are focused on: develop a baseline for designing a MEbA model in the country, in order to introduce environmental microfinance based on the experiences of two pilot sites; design a MEbA climate risk management methodology; build the capacities of key local stakeholders; plan the mobilization of additional resources for biodiversity and climate change adaptation actions in each pilot site, by implementing MEbA and defined financial solutions; implement an accounting record system to monitor the results, and encourage the implementation of at least one *Optamos por la Igualdad de Género en la Adaptación al Cambio Climático (OIGACC)* (We choose gender equality in climate change adaptation) initiative to be financed, as part the lessons and learned and legacy of the gender component of the Basal Project.

The bases for the implementation of the MEbA model will be made specifically for the Cuban context. It will be made a diagnostic in the pilot sites to identify implemented practices, available resources, weaknesses and potentialities to define the financial solutions that could be applied, including microfinance. The pilot sites are established with producers from the non-state or private sector and financing resources for solutions implementation will come from different sources, including differentiated credits from banks, state environmental funds (for soil conservation and/or for forestry development) and from the own income generated by the producers.

The financial solutions to be implemented, seek to stimulate good practices and remunerate the agricultural productive systems of the non-state sector part of the income captured by this concept. Alternatives are promoted that stimulate the expansion of sustainable practices, while guaranteeing food sovereignty and diversification of agroecological products for export. It includes among the proposed: eco-labeling, preferential prices for exportable bioproducts, reduction of taxes for rational use of resources, online sales, microfinance, among others to be defined. This is domestic resource mobilization.

The results achieved will contribute to achieve the following SDG targets by 2030:

SDG Targets 2.3, 2.4, 2.a, since it will contribute to strengthen the capacities of key local stakeholders to: (i) foster the sustainability of small scale food production systems by implementing financial solutions; (ii) implement resilient agricultural practices to build climate

change adaptation capacities (MEbA)¹⁷; (iii) promote sustainable agriculture; and (iv) increase food security¹⁸. (Outputs 3.1, 3.2, and 3.3.)

SDG Target 13.2 by supporting capacity building to increase resilience and adaptation, and raise awareness on these issues. (Outputs 3.1 and 3.2.)

SDG Targets 17.14, 17.1, 17.3, 15.9, by contributing to foster articulation between public and private stakeholders and NGOs in order to: (i) promote partnerships; (ii) implement financial solutions in entities of the non-state sector; (iii) implement an accounting record system that captures the environmental statistical information of that sector; and (iv) plan the mobilization of additional resources up to 2030 as a result of the implementation of financial solutions¹⁹. (Outputs 3.1, 3.2, and 3.3.)

The relation of the country with international and regional development banks is constrained, and some of them, such as the World Bank, administer many of the existing environmental funds; thus limiting its capacity to mobilize resources along this track. The country is a member of CABI, ALBA Bank, and IIB and has signed a MOU with the Andean Development Corporation (ADC), but the level of activity with those institutions is poor. Its adherence to Multilateral Environmental Agreements has opened the possibility of using sources of financing for biodiversity and addressing climate change, but not all opportunities are yet being used, because access requirements are complex and there is limited experience in project formulation. Cuba is a member of the Convention on Biological Diversity, the United Nations Framework Convention on Climate Change and the Convention to Combat Desertification and Drought. It is also part of regional coordination organizations (CELAC, LAES and ECLAC) and integration mechanisms (member of ALADI and ALBA-TCP an observer member of CARICOM). Cuba's level of commercial integration in the region is poor and bilateral trade is through intergovernmental agreements; its main trading partners are from other regions making commercial interchange more expensive. The country is a reference in terms of South-South and triangular cooperation, which constitute an essential component of its foreign policy.

Achieving the expected results will require permanent cooperation and commitment among key stakeholders and institutions. CITMA, in coordination with the MFP, shall lead the mechanism. The contribution of other sectorial ministries, provincial and municipal governments, non-state stakeholders and NGOs with experience in gender mainstreaming like the FMC, ACTAF and ANAP will be important and will contribute with actions to ensure the contribution of the JP to gender-responsiveness.

The UNDP will share its experiences with BIOFIN, as well as its best practices in the implementation of projects that foster links among key sectorial and territorial stakeholders; the participatory design of development strategies, as well as their competences in addressing gender perspective in development efforts. UNEP will contribute its expertise in sustainable development with local financing sources, through micro credits and parametric insurances, particularly MEbA.

Once the JP is implemented, CITMA and its associated entities, the MEP, the MFP, the BCC, ONEI and MINCEX will benefit from a more coherent environmental finance management. The other target groups will benefit with the possibility of accessing an inter-institutional mechanism that will foster mobilization of resources for biodiversity and climate change. Key

¹⁷It will also contribute to accomplish target 8.10.

¹⁸ This will have an accelerating effect on SDG 8 by promoting productive employment, as well as on SDG 1 by providing access to microfinance services.

¹⁹ It will also contribute to SDG Target 15.a.

local stakeholders and institutions will have enhanced their capacities to introduce innovative environmental finance solutions in the non-state sector, which lacks experience in such practices.

Bearing in mind the national principle of leaving no one behind, the JP will benefit: (i) *Persons living in relatively less developed territories*, who will improve their access to financial resources for local development, such as environmental microfinance and will be better informed about sustainable development and environmentally friendly life styles; (ii) *Persons living in high natural disaster risk territories*, for whom new financial solutions to address these risks will be available, which will improve the resilience and adaptation capacity of those territories; and (iii) *youth and women who can benefit from employment opportunities* once gender-sensitive financial solutions are incorporated into economic activities of the non-state sector, for the sustainable management of biodiversity and climate change, generating incentives for individuals to migrate to the official economy or decide to start their own businesses.

2.4 Financing

The proposed enabling environmental finance framework will contribute to accelerate the achievement of SDGs, as it will integrate the financial dimension of environmental management to the national development financing strategy. This will allow for the incorporation of environmental finance into the INFF, thus strengthening SDG implementation means. It will mainstream biodiversity and ecosystem values in development processes, which is essential. Therefore, allocating resources to biodiversity protection and sustainable use has an accelerating effect on several SDGs and targets, as it promoted a more resilient and inclusive economic development.

The proposal adds value in terms of capacity-building, resource mobilization and consistency of legal, institutional and policy frameworks. The proposed inter-institutional mechanism will articulate stakeholders and processes to improve environmental finance management in line with priorities identified in the Macroprogram of Natural Resources and Environment. As capacities of key stakeholders and institutions are strengthened resource mobilization is leveraged, which makes it possible to explore new opportunities and diversify financing sources, which is one of the country's priorities. At the same time, the design of a roadmap and a plan of action make it possible to formalize processes and implement pilot actions to validate innovative financial solutions in the area of environment. All that will promote its articulation within financing policies and the allocation of available resources.

In the Cuban context, marked by an economic and health crisis and severe Access restrictions to hard currency, it is difficult to advance in the implementation of SDGs only with the existing planning and financing tools. For Cuba, the use of alternative sources is unviable in the short term as it is excluded from IFIs, its low integration level to regional and international financial mechanisms, the insufficient use of resources from Multilateral Environmental Funds, and the high country risk, which limits its access to international capital markets. The JP will help the country expand its range of financing opportunities for biodiversity protection and sustainable use, training actions on climate change adaptation and mitigation and to favor environmental quality.

Program sustainability and mid- and long-term results are evinced in a renewed environmental finance architecture that will make new management tools available developed under more effective and inclusive institutional processes, as for the first time the implementation of financial solutions in economic activities in the non-state sector for sustainable biodiversity and climate change management will be considered (environmental

certification, differentiated process to agro-ecological products for export, microfinances, among others). This last aspect reinforces the innovative and transforming character of the JP as this is an emerging sector with an accelerating role in the transformation of production and post-Covid recovery, which accounts for more than 30% of jobs in Cuba and has been prioritized in the economic and social strategy of the country inadequate capacities and limited access to national and international financing mechanisms.

The JP will have a positive impact on the architecture of development financing in the country, namely: (i) environmental finance will be mainstreamed in financing policies that promote sustainable development in the country; (ii) coordination and channeling of resources for the protection and sustainable use of biodiversity and to cope with climate change impacts will be improved; (iii) the enabling framework will serve as reference in the financial decision-making process in the country; (iv) more information will be disseminated and awareness-raised in territories on the relevance of environmentally-friendly lifestyles; and greater advance in gender mainstreaming with specific results.

The JP will assist the country in the observance of financial sustainability principles, by maintaining a certain flexibility level to respond to eventual changes in circumstances, minimize vulnerabilities linked to some foreign financing sources and an inadequate channeling of resources raised.

Each involved agency will provide its specific expertise to this joint program, by implementing ongoing financial solutions and creating synergies with a multiplying effect of its benefits. The approved budget is 720,400 USDs, complemented with cofinancing amounting to 94,899 by the BIOFIN Cuba initiative that will support products and activities that are of common interest for both projects. Other initiatives implemented by participating agencies are also directly or indirectly linked to this program's results, which will enhance them (Annex 1).

The Budget will be divided between the two agencies so they can manage it in their areas of competence and achieve their results. It is expected that coordination costs foreseen ensure consistency among actions, promote joint communication, sharing lessons learned, and undertaking the corresponding monitoring and evaluation with the active participation of the Office of the Resident Coordinator (ORC). Then, each agency will use funds in combination with their own resources to ensure the implementation of planned activities. For the design of information platforms and systems, they will rely, to a large extent, on the services of expert consultants.

2.5 Partnerships and stakeholder engagement

The leading agency in JP design and implementation shall be CITMA in close collaboration with the MFP. The program will contribute to maximize CITMA's environmental management potential and that of its associated entities, as for the first time the financial dimension of environmental management will be articulated in an integrated manner, in line with 2030 PNDES priorities and to accelerate SDGs. Civil society organizations (FMC, ANAP and ANEC), as part of stakeholders/target groups that will implement and benefit from the mechanism, will facilitate inter-institutional dialogue and synergies among expected program results and their activities.

CITMA, MEP and ONEI have already been involved in the design of this proposal, as well, as the academia, contributing their expertise in the concerned matter and highlighting their priorities. Other interested parties like sectoral ministries, local governments, the non-state sector and national NGOs will also be involved in the implementation.

Political support is backed by the goals and principles enshrined in the national economic and social policy program documents, including those related to the environmental policy and reflected on the 2030 PNDES.

Among the priorities of the country, outlined in the 2030 PNDES, are the improvement of financing sources and mechanisms, as well as the relevance of effective coordination methodologies and mechanisms. These priorities are aligned with the proposed joint program and the 2020-2024 United Nations Sustainable Development Cooperation Framework.

UNS Agencies operating in the country engaged in this JP have complementary expertise that allows them to contribute the technical assistance they provide, knowledge and skills. They have extensive networks with international, national, provincial and municipal public and private stakeholders, which facilitate the required inter-institutional dialogue. The experience of involved agencies is a valuable tool to foster the inter-sectoral, inter-institutional and inter-stakeholder coordination required for the enabling environmental finance framework to be created under this project.

The work of UN Agencies is highly appreciated by national authorities, with which they commit in a close dialogue and provide technical assistance on a broad range of issues. PUNOs support the introduction of methods, tools and incentives that promote ways to enhance environmental finance management effectiveness and its mainstreaming into the national development financing strategy. This is a very valuable contribution because until now, the environmental dimension of finances has not been included in financing policy-making in the country so there is very little experience on the matter, and because it will also allow for the creation of synergies with the INFF and with the support of UNDP. All of the above, makes this joint program stand out from other cooperation programs.

UNDP will be the leading coordination agency and UNEP will support the process, including its contribution to strengthening monitoring territorial capacities for the achievement of SDGs.

Development financing and environmental issues are cross-cutting issues within the 2020-2024 United Nations Sustainable Development Cooperation Framework. Therefore, this joint program will have a positive impact on other UNS projects and programs and in the UNCT as a whole. This will create positive synergies to complement national efforts to advance SDGs.

Other partners will make strategic contributions to the implementation of the proposal, namely: MEP, MFP, BCC, ONEI, MINAG, MINTUR, MINDUS, MINAL, INRH, BioCubaFarma, MINCIN, MITRANS, and provincial and municipal governments. The academic sector will play an important role supporting authorities on issues like the review and introduction of international reference points and good practices, impact assessments, if considered relevant. At local level, the role of the non-state sector will be relevant, as it will be the first time that financial solutions will be considered for economic activities for sustainable biodiversity and climate change in this sector, including the use of microfinance.

This JP seeks to take advantage of the important contribution made by UNDP in assisting the country in the advance of SDGs, as well as on the implementation of projects that foster links between key sectoral and territorial stakeholders and in the participatory design of development strategies. Additionally, it will contribute its expertise in the design and implementation of financial solutions for biodiversity and climate change adaptation measures.

At international and regional level, technical capacities of other UN agencies could be used to address specific environmental finance challenges.

3. Programme implementation

3.1 Governance and implementation arrangements

As stated in the SDG Joint Fund, program implementation shall be governed by the principle of national ownership in support of national priorities and will be integrated to UNS efforts under the Sustainable Development Cooperation Framework.

The Resident Coordinator will be in charge of the proposed joint program strategic planning and supervision. UNDP, the leading participating agency will answer to the Resident Coordinator for results and resources provided through the fund.

CITMA will be the national leading agency in the framework of the joint program, in close coordination with the MFP, with the support of associated institutions and the participation of other key bodies in the field of environmental finance in the country (MEP, BCC, ONEI, MINCEX and National SDG Group). The latter will ensure ownership of results and program sustainability.

Governance mechanisms of this Joint Program, at country level, will include: 1. A Steering Committee, and 2. A Program Management Committee. Additionally, the coordination mechanism of the United Nations System (UNS) established under the Cooperation Framework, will support this structure.

1. A Steering Committee (SC), that will be made up of the following members:

- United Nations Resident Coordinator.
- First Deputy Minister of Science, Technology and Environment.
- Deputy Minister of Finance and Prices.
- Deputy Minister of Economy and Planning.
- Vice-President of the Cuban Central Bank.
- Deputy Chief of the National Statistics and Information Bureau.
- Executive from the Ministry of Foreign Trade and Investment.
- Executive from the National SDG Group.
- Representatives of each Participating United Nations Organization UNDP and UNEP.
- High-level executives of participating institutions.

SC duties shall include:

- Providing strategic guidance and supervision for JP implementation;
- Ensuring alignment with national priorities, SDGs and the 2020-2024 United Nations Sustainable Development Cooperation Framework;
- Promoting participatory implementation, ensuring coordination and synergies among program participants and other ongoing initiatives in the country;
- Adopting JP work plans and relevant reports, ordering corrective measures, if necessary; and
- Promoting adjustments whenever necessary and reviewing the risk management strategy.

2. The Program Management Committee (MC) will be made up of a representative of each participating institution and agency. The ORC will support this committee.

Its duties shall include:

- Supervising program management, proposing the required adjustments to the SC, and act as first port of call for dispute resolution;

- Ensuring the development of annual work plans and budgets;
- Ensuring program participatory implementation and communication and coordination among parties;
- Ensuring reporting mechanisms and facilitating evaluation; and
- Reviewing risk management strategies and promoting actions for proactive program risk management and mitigation.

For UNS, the group of results of the area of Environmental Sustainability and Risks will be crucial to support inter-institutional coordination in the framework of this joint program and to ensure alignment with priorities of the Cooperation Framework agreed on by authorities. This program will be integral part of the joint work plan of these groups, which will facilitate its UNCT reporting processes and synergies with the work of the UNS.

This group facilitates dialogue, planning, implementation, monitoring and evaluation of this area, which constitutes a direct impact of the 2020-2024 Cuba's Sustainable Development Cooperation Framework (CF).

UNS in Cuba has gained experience in the implementation of joint programs in the framework of the MDG Fund and the SDG Fund. The two involved agencies (UNDP and UNEP) have previously undertaken joint initiatives.

3.2 Monitoring, reporting, and evaluation

The first part is standard text – do not change. You may add internal procedures and processes if needed.

Reporting on the Joint SDG Fund will be results-oriented, and evidence based. Each PUNO will provide the Convening/Lead Agent with the following narrative reports prepared in accordance with instructions and templates developed by the Joint SDG Fund Secretariat:

- *Annual narrative progress reports*, to be provided no later than one (1) month (31 January) after the end of the calendar year, and must include the result matrix, updated risk log, and anticipated expenditures and results for the next 12-month funding period;
- *Mid-term progress review report* to be submitted halfway through the implementation of Joint Programme²⁰; and
- *Final consolidated narrative report*, after the completion of the joint programme, to be provided no later than two (2) months after the operational closure of the activities of the joint programme.

The Convening/Lead Agent will compile the narrative reports of PUNOs and submit a consolidated report to the Joint SDG Fund Secretariat, through the Resident Coordinator.

The Resident Coordinator will be required to monitor the implementation of the joint programme, with the involvement of Joint SDG Fund Secretariat to which it must submit data and information when requested. As a minimum, joint programmes will prepare, and submit to the Joint SDG Fund Secretariat, 6-month monitoring updates. Additional insights (such as policy papers, value for money analysis, case studies, infographics, blogs) might need to be provided, per request of the Joint SDG Fund Secretariat. The joint programme will adequately allocate resources for monitoring and evaluation in the budget.

²⁰ This will be the basis for release of funding for the second year of implementation.

Data for all indicators of the results framework will be shared with the Fund Secretariat on a regular basis, in order to allow the Fund Secretariat to aggregate results at the global level and integrate findings into reporting on progress of the Joint SDG Fund.

PUNOs will be required to include information on complementary funding received from other sources (both UN cost sharing, and external sources of funding) for the activities supported by the Fund, including in kind contributions and/or South-South Cooperation initiatives, in the reporting done throughout the year.

PUNOs at Headquarters level shall provide the Administrative Agent with the following statements and reports prepared in accordance with its accounting and reporting procedures, consolidate the financial reports, as follows:

- Annual financial reports as of 31st December each year with respect to the funds disbursed to it from the Joint SDG Fund Account, to be provided no later than four months after the end of the applicable reporting period; and
- A final financial report, after the completion of the activities financed by the Joint SDG Fund and including the final year of the activities, to be provided no later than 30 April of the year following the operational closing of the project activities.

In addition, regular updates on financial delivery might need to be provided, per request of the Fund Secretariat.

After competition of a joint programmes, a final, *independent and gender-responsive*²¹ *evaluation* will be organized by the Resident Coordinator. The cost needs to be budgeted, and in case there are no remaining funds at the end of the joint programme, it will be the responsibility of PUNOs to pay for the final, independent evaluation from their own resources.

The programme will be subject to a joint final independent evaluation with an established arrangement for managing the joint evaluation. The final evaluation will be managed jointly by the PUNOs as per established process for independent evaluations, including use of a joint evaluation steering group and dedicated evaluation managers not involved in the implementation of the joint programme. The evaluations will follow the United Nations Evaluation Group's (UNEG) Norms and Standards for Evaluation in the UN System, using the guidance on Joint Evaluation and relevant UNDG guidance on evaluations. The management and implementation of the joint evaluation will have due regard to the evaluation policies of the PUNOs to ensure the requirements of those policies are met; and with use of appropriate guidance from PUNOs on joint evaluation. The evaluation process will be participative and will involve all relevant programme's stakeholders and partners. Evaluation results will be disseminated amongst governments, donors, academic institutions and stakeholders of civil society (including workers' and employers' organizations) and a joint management response will be produced upon completion of the evaluation process to be made publicly available on the evaluation platforms or similar of the PUNOs and through the UNEG database.

3.3 Accountability, financial management, and public disclosure

Standard text – do not change

The Joint Programme will be using a pass-through fund management modality where UNDP Multi-Partner Trust Fund Office will act as the Administrative Agent (AA) under which the

²¹ [How to manage a gender responsive evaluation, Evaluation handbook](#), UN Women, 2015

funds will be channeled for the Joint Programme through the AA. Each Participating UN Organization receiving funds through the pass-through has signed a standard Memorandum of Understanding with the AA.

Each Participating UN Organization (PUNO) shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent of the Joint SDG Fund (Multi-Partner Trust Fund Office). Such funds will be administered by each UN Agency, Fund, and Programme in accordance with its own regulations, rules, directives and procedures. Each PUNO shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

Indirect costs of the Participating Organizations recovered through programme support costs will be 7%. All other costs incurred by each PUNO in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

Funding by the Joint SDG Fund will be provided on annual basis, upon successful performance of the joint programme.

Procedures on financial transfers, extensions, financial and operational closure, and related administrative issues are stipulated in the Operational Guidance of the Joint SDG Fund.

PUNOs and partners must comply with Joint SDG Fund brand guidelines, which includes information on donor visibility requirements.

Each PUNO will take appropriate measures to publicize the Joint SDG Fund and give due credit to the other PUNOs. All related publicity material, official notices, reports and publications, provided to the press or Fund beneficiaries, will acknowledge the role of the host Government, donors, PUNOs, the Administrative Agent, and any other relevant entities. In particular, the Administrative Agent will include and ensure due recognition of the role of each Participating Organization and partners in all external communications related to the Joint SDG Fund.

3.4 Legal context

United Nations Development Program (UNDP)

Standard Basic Assistance Agreement (SBAA)
May 17, 1975

United Nations Environmental Program (UNEP)

Both UNDP and UNEP are signatories of the new UN Cooperation Framework with the country. With the United Nations Environment Program (UNEP), cooperation is established on the basis of UNEP's mandate, particularly in the framework of its Mid-Term Strategy and Work Program, approved by the United Nations Assembly for the Environment.

D. ANNEXES

Annex 1. List of related initiatives

Name of initiative/project	Key expected results	Links to the joint programme	Lead organization	Other partners	Budget and funding source	Contract person (name and email)
“Biodiversity finance Initiative” BIOFIN II	To provide technical assistance to implement innovative financial solutions aimed at mobilizing biodiversity resources. Implement biodiversity Finance Plan.	Cofinanced by the JP. Implements biodiversity financial solutions.	CITMA (Ministry of Science, Technology and Environment)	MFP, MEP, BCC, ONEI, UNDP	756 000 USD, GEF	Gloria Gómez (CITMA) gloriaqp@citma.gob.cu
“Support for the development of an Integrated National Financing Framework for the SDGs in Cuba” INFF for SDGs in Cuba	Contributing to the development of an Integrated National Financing Framework (INFF) for the SDGs as a tool for planning, defining and evaluating gender-sensitive financing policies useful to improve their effectiveness and promote resource mobilization for the SDGs.	Strengthens information on the financing framework of the SDGs in Cuba and provides inputs to know how many resources the country has and needs in the SDGs directly related to the environment to take them into account in the development of the enabling framework for environmental financing.	Ministry of Economy and Planning (MEP), over the National Group (NG) for the Implementation of the 2030 Agenda for Sustainable Development in Cuba	Ministry of Finance and Prices (MFP). Central Bank and Commercial Banks. Ministry of Foreign Trade and Investment (MINCEX).	891,860 USD (800,000 USD SDGF, 62,730 USD CEPAL y 29,130 USD PNUD)	Susset Rosales Vázquez (MEP), susset@mep.gpb.cu .
“Incorporating multiple environment considerations and economic consequences in landscape and forests management and productive sectors in Cuba” ECOVALOR	To promote generation of multiple environmental benefits based on the integrated economic assessment of ecosystem goods and services, as well as decision-making tools at different levels.	Implements financial solutions.	CNAP (National Center of Protected Areas) / EA (Environment Agency) / CITMA (Ministry of Science, Technology and Environment)	MFP, MEP, ONEI, BCC, MINTUR, MINAG, IPF, MINAL, MINEM, UNDP	9 580 365 USD, GEF	Aylem Hernández (CNAP) aylem@snap.cu

Name of initiative/project	Key expected results	Links to the joint programme	Lead organization	Other partners	Budget and funding source	Contract person (name and email)
"GCF preparation and preparatory support in Cuba". GCF-READINESS	To strengthen Cuban institutional capacities to have access and be committed to the Green Climate Fund. To create a Country Program with the GFC, including a work plan with the Fund and identifying opportunities to involve new stakeholders in climate funding issues in the country.	Strengthens institutional capacities by establishing strategic frameworks to improve suitable settings for the GCF low-emission investment program.	CUBAENERGIA (Center for Energy Information and Development Management) / CITMA (Ministry of Science, Technology and Environment)	CUBAENERGIA, AENTA, CITMA	307 189 USD	Wenceslao Carrera (CUBAENERGIA) wenceslao@cubaenergia.cu
"Strengthening capacities for sustainable funding mechanisms associated with Sustainable Land Management (MST, Spanish acronym) in dry forest ecosystems and livestock areas" CPP-P3	To encourage MST techniques and access by producers.	Implements financial mechanisms to promote the MST techniques. An evaluation will be conducted in MST certified farms to select one of the intervention sites to implement financial solutions.	EA (Environment Agency) / CITMA (Ministry of Science, Technology and Environment)	MINAG, ANAP, BANDEC, UNDP	1 425 000 USD, GEF	Alfredo Martínez (AMA) alfredo.martinez@ama.cu
"Environmental Basis for Local Food Sustainability" BASAL	To support climate change adaptation in the Cuban agricultural sector at local and national level. Demonstrate agricultural practices for climate change adaptation taking into account specific needs and differentiated impacts on women and men.	Strengthens information and knowledge management to support CC adaptation. Provides local and national tools for decision making and planning associated with CC adaptation. An evaluation will be conducted in adaptation teaching farms, implemented with this Project, to select one of the intervention sites to implement financial solutions.	EA (Environment Agency)/ IGT (Institute of Tropical Geography) under CITMA (Ministry of Science, Technology and Environment)	MINAG Local governments	9 076 893 USD, EU 5 844 947 USD, COSUDE	Jorge A. Luis Machin machinigt@eotech.cu
Integrating Rio Convention obligations into national priorities	To strengthen environmental information and knowledge management to integrate goals	Technical advice for the development of the Digital Platform for Environmental Finance and its connection to	EA (Environment Agency)/ IGT (Institute of	MINCEX ONEI MINCOM (Ministry of	\$ 1,488,573 USD GEF	Yoel Cuzan yoel.cuzan.fajardo@gmail.com

Name of initiative/project	Key expected results	Links to the joint programme	Lead organization	Other partners	Budget and funding source	Contract person (name and email)
through the strengthening of information and knowledge management for improved planning and decision-making INFOGEO	subscribed under MEAs into National planning and decision-making	the national environmental information system	Tropical Geography) under CITMA (Ministry of Science, Technology and Environment)	Communications) Local governments		
Microfinance for Ecosystem based Adaptation (MEbA)	To strengthen the financial sector capacities, especially of cooperatives and microfinancing sectors, in order to promote resilient agricultural practices in family agriculture. Training of financing entities and producers on resilient techniques, monitoring mechanisms and investment risk analysis.	The initiative has generated a set of methodological and training guidelines for financial entities and producers, as well as description brochures on resilient agricultural technologies. Outputs will serve as a direct contribution to component 3 of the proposal and will facilitate the work with stakeholders and the start-up demonstrative farms.	UNEP	BANCOLDEX, FUNDECOOPERACION; BANCAMIA, CREZCAMOS, FONDESURCO, CONTCTAR	5 000 000 EUROS, IKI	Marta Moneo (marta.moneo@un.org)

Annex 2. Overall Results Framework

2.1. Targets for Joint SDG Fund Results Framework

Set targets in the tables below, if relevant

Joint SDG Fund Outcome 2: Additional financing leveraged to accelerate SDG achievement
(set the targets, where relevant)

Indicators	Targets	
	2022	2023 ²²
2.1: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scope ²³ (disaggregated by source)	0	1
2.2: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scale ²⁴ (disaggregated by source)	0	1

Joint SDG Fund Output 4: Integrated financing strategies for accelerating SDG progress implemented
(set the targets, where relevant)

Indicators	Targets	
	2022	2023
4.1: # of integrated financing instruments/strategies that were tested (disaggregated by % successful / unsuccessful)	-	2
4.2: # of integrated financing strategies that have been implemented with partners in lead ²⁵	-	1 & 3
4.3: # of functioning partnership/governance frameworks for integrated financing strategies to accelerate progress on SDGs made operational	-	1

Joint SDG Fund Operational Performance Indicators

(do not change or add – this is for information only so that teams know what they will be assessed against)

- Level of coherence of UN in implementing programme country²⁶
- Reduced transaction costs for the participating UN agencies in interaction with national/regional and local authorities and/or public entities compared to other joint programmes in the country in question
- Annual % of financial delivery
- Joint programme operationally closed within original end date
- Joint programme financially closed 18 months after their operational closure

²² the ratio can increase from 2023 to 2030 depending on the solutions that are implemented or scaled from the enabled mechanism

²³Additional resources mobilized for other / additional sector/s

²⁴Additional resources mobilized for the same multi-sectoral solution.

²⁵ This will be disaggregated by (1) government/public partners (2) civil society partners and (3) private sector partners

²⁶ Annual survey will provide qualitative information towards this indicator.

- Joint programme facilitated engagement with diverse stakeholders (e.g. parliamentarians, civil society, IFIs, bilateral/multilateral actor, private sector).
- Joint programme included addressing inequalities and the principle of “Leaving No One Behind”.
- Joint programme featured gender results at the outcome level.
- Joint programme undertook or draw upon relevant human rights analysis, and have developed or implemented a strategy to address human rights issues.
- Joint programme planned for and can demonstrate positive results/effects for youth.
- Joint programme considered the needs of persons with disabilities.
- Joint programme made use of risk analysis in programme planning.
- Joint programme conducted do-no-harm / due diligence and were designed to take into consideration opportunities in the areas of the environment and climate change.

2.2. Joint programme Results framework

Result / Indicators	Baseline	2022 Target	2023 Target	Means of Verification	Responsible partner
Outcome 1. Created an enabling framework for the planning, management and mobilization of resources of environmental finance in Cuba					
<u>Outcome 1, Indicator 1</u> An (inclusive and gender-sensitive) inter-institutional mechanism to manage environmental finance.	0	(mechanism designed)	1	<ul style="list-style-type: none"> - Constituent documents of the mechanism. - Reports or Rapporteur's report of actions undertaken. - Minutes of the Steering Committees. - Project Annual Reports. 	CITMA
<u>Outcome 1, Indicator 2</u> Number of key institutions and stakeholders participating in the mechanism, disaggregated by sex, age and provinces.	0	At least 30% of key stakeholders from national institutions and 20% of provincial stakeholders	At least 70% of national key institutional stakeholders and 60% of provincial stakeholders. At least 1 of these institutions at the national and provincial levels has experience in gender issues.	<ul style="list-style-type: none"> - Constituent documents of the mechanism. - Reports or Rapporteur's report of actions undertaken. - Project Annual Reports 	CITMA
Output 1.1 Established inter-institutional coordination mechanism that includes at least 70% of the key institutional stakeholders and 60% of the provinces that stands out for being inclusive and promoters of gender and generational equality.					
<u>Output 1.1, Indicator 1</u> Existence of policy and methodological basis for the inter-institutional mechanism.	0	gap maps and coordination arrangements have been defined. At least 30% of policy and methodological basis have been developed.	Policy and methodological basis for the mechanism have been fully developed.	<ul style="list-style-type: none"> - Regulations, methodologies and reports with coordination arrangement proposals. - Project Annual Reports. 	CITMA
<u>Output 1.1, Indicator 2</u> Number of actions implemented under the environmental finance enabling mechanism in Cuba.	0	At least 2 actions	At least 5 actions	<ul style="list-style-type: none"> - Reports or Rapporteur's Report of actions undertaken. - Project Annual Reports. 	CITMA
Output 1.2 Strengthened capacities of stakeholders involved in the inter-institutional mechanism.					

Result / Indicators	Baseline	2022 Target	2023 Target	Means of Verification	Responsible partner
<u>Output 1.2, Indicator 1</u> Number of key stakeholders linked to the mechanism that have received training in biodiversity, climate change, environmental finance and environmental and social safeguard matters, disaggregated by sex, age and provinces.	0	At least 50% of the stakeholders linked to the mechanism, with a gender equality approach in accordance with the number of women and men in the institutions.	100% of the stakeholders linked to the mechanism.	<ul style="list-style-type: none"> - Reports or Rapporteur's Report of training actions conducted. List of participants. - Project Annual Reports. 	CITMA
<u>Output 1.2, Indicator 2</u> Number of key stakeholders (disaggregated by sex, age and provinces) linked to the mechanism with higher sensibility for gender mainstreaming in the development of environmental finance in the country.	0	At least 30% of the stakeholders involved in the mechanism.	At least 70% of the stakeholders involved in the mechanism, with a gender equality approach in accordance with the number of women and men in the institutions.	<ul style="list-style-type: none"> - Reports or Rapporteur's Report of training actions conducted. List of participants. - Project Annual Reports. 	
Outcome 1.3 A Digital Platform to address environmental finance providing visibility to gender dimensions and connected to National Environmental Information System (SIAN) has been established					
<u>Outcome 1.3, Indicator 1</u> Availability of a Digital Information Platform for environmental finance, providing visibility to gender dimensions and that can be connected to the SIAN.	0	(Platform designed)	1, visibility of at least two gender dimensions	<ul style="list-style-type: none"> - Design of platform Website. - Platform website address. - Project Annual Reports. 	CITMA-SIAN
<u>Output 1.3, Indicator 2</u> Number of visits of the Digital Platform, disaggregated by topic.	0	0	At least 500 annual visits.	<ul style="list-style-type: none"> - Record of the number of visits of the platform - Project Annual Reports. 	CITMA-SIAN
Outcome 2: An environmental finance roadmap has been designed, discussed and agreed with key stakeholders.					
<u>Output 2, Indicator 1</u> % of key institutions involved in the implementation of the roadmap and the plan of action for the development of environmental finance in Cuba.	0	0	At least 70% of the national key institutions and 60% of the provincial institutions. At least 1 institution with experience on the gender issue at the	<ul style="list-style-type: none"> - Roadmap and plan of action, determining participants and lead institutions. - Reports or Rapporteur's Report of actions undertaken. - Minutes of the Steering Committees. 	CITMA

Result / Indicators	Baseline	2022 Target	2023 Target	Means of Verification	Responsible partner
			national level and in each province.	- Project Annual Reports.	
Output 2.1 An environmental finance roadmap was designed, discussed and agreed with key stakeholders.					
<u>Output 2.1, indicator 1</u> A disseminated and validated with the key stakeholders, roadmap in place for developing environmental finance in Cuba.	0	first approach to road map has been generated and at least 1 communication action carried out.	A road map for developing environmental finance in Cuba has been disseminated and validated	- Roadmap - Minutes of the Steering Committees. - Project Annual Reports. - Communication and dissemination products. - News in communication means and social networks.	CITMA – Environmental Finance Inter-institutional Mechanism
Output 2.2: A Plan of Action to implement the roadmap was designed, discussed and agreed with key stakeholders.					
<u>Output 2.2, Indicator 1</u> A disseminated Plan of Action in place for the implementation of the environmental finance roadmap.	0	first approach to plan of action for the road map implementation has been generated and at least 1 communication action carried out.	A Plan of Action for the environmental finance road map implementation in place and fully disseminated.	- Plan of Action - Minutes of the Steering Committees - Project Annual Reports - Communication and dissemination products. - News in communication means and social networks.	CITMA – Environmental Finance Inter-institutional Mechanism
Output 2.3 Gender-responsiveness of key local and national institution was strengthened to implement environmental finance roadmap and plan of action, taking into consideration the SDGs targets related to gender equality and the empowerment of women in Cuba.					
<u>Output 2.3, Indicator 1</u> Number of awareness-raising actions on gender-responsive environmental finance undertaken by stakeholders in the development and implementation of the roadmap and the plan of action.	0	At least 2 and 1 specifically with executive staff	At least 5 actions and 2 specifically with executive staff	- Rapporteur’s Report of the actions - Project Annual Reports	CITMA- Environmental Finance Inter-institutional Mechanism
<u>Output 2.3, Indicator 2</u> Training program in place on the SDG gender targets and strategies to be taken into consideration in environmental finance.	0	Draft of the Program designed	Program adopted and implemented with the participation of at least 20 stakeholders	- Program Document - Project Annual Reports	CITMA –, Environmental Finance Inter-institutional Mechanism
<u>Output 2.3, Indicator 3</u>	0	0	At least 3 institutions and 30% of the stakeholders	- Reports of the gender-sensitive communication activities carried	CITMA – Environmental

Result / Indicators	Baseline	2022 Target	2023 Target	Means of Verification	Responsible partner
Number of institutions and stakeholders participating in communication actions on the results of the gender-responsive training program developed and the use of the roadmap and plan of action developed.			implementing the roadmap and the plan of action	out to provide visibility to the results and best practices.	Finance Inter-institutional Mechanism
Outcome 3. Mobilization of at least 10% of additional resources has been projected through at least two financial solutions, including microfinances, in order to carry out gender-responsive actions for biodiversity conservation and climate change adaptation in two target areas.					
<u>Outcome 3, Indicator 1</u> % of additional resources to be mobilized until 2030 (estimated leverage), as a result of the implementation of the financial solutions in each pilot site.	0	0	Projected additional mobilization of at least 10% of current funding for each pilot site.	- Document of the mobilization of additional resources projected up to 2039 in each pilot site.	CITMA- Environmental Finance Inter- institutional Mechanism
Output 3.1 The basis for a gender-sensitive national MEbA model has been established, allowing key local stakeholders (micro-financial institutions, cooperatives and beneficial owners, public stakeholders) to know more about the potentials of MEbA taxonomy and the risk management methodology, and to implement a financial pilot mechanism.					
<u>Output 3.1, Indicator 1</u> Proposal for a gender-sensitive methodology for MEbA climate risk management for Cuba available.	0	0	1	- Methodological proposal. - Project Annual Reports	CITMA- Environmental Finance Inter- institutional Mechanism
<u>Output 3.1, Indicator 2</u> Number of banking institutions and stakeholders trained in MEbA matters at the national level (disaggregated by sex and age.)	0	0	At least 1 national banking entity and 10% of the stakeholders involved, with a gender equality approach, in accordance with the number of women and men in the institutions.	- Reports, Rapporteur's Reports on training actions or exercises of financial and banking institutions. - Project Annual Reports	CITMA- Environmental Finance Inter- institutional Mechanism
Output 3.2 Capacities have been built for the implementation of a pilot financial mechanism for MEbA that will contribute to mobilize additional resources for climate change adaptation.					
<u>Output 3.2, Indicator 1</u> % of key local stakeholders (disaggregated by sex and age) trained in MEbA matters in the two pilot sites.	0	0	25%, with a gender equality approach, in accordance with the number of women and men in the institutions	- Reports, Rapporteur's Reports on training actions or exercises at the local level. - Project Annual Reports	CITMA- Environmental Finance Inter- institutional Mechanism

Result / Indicators	Baseline	2022 Target	2023 Target	Means of Verification	Responsible partner
Output 3.3 Mobilization of additional resources up to 2030 for gender-responsive biodiversity conservation and climate change adaptation actions has been projected, with the implementation of at least two financial solutions, including microfinance, in two pilot sites.					
<u>Output 3.3, Indicator 1</u> Number of financial solutions implemented in each pilot site (of them number of gender-responsive solutions).	0	0	At least 2 in each site (at least 1 gender-responsive solution)	- Project Annual Reports - Monitoring visit reports	CITMA- Environmental Finance Inter- institutional Mechanism
<u>Output 3.3, Indicator 2</u> % of key stakeholders in pilot sites (disaggregated by sex) that can access <u>to financial solutions</u>			70% of key stakeholders in pilot sites sites benefit with <u>access to financial solutions</u> (at least 30% women)	- Project Annual Reports - Monitoring visit reports	CITMA- Environmental Finance Inter- institutional Mechanism
<u>Output 3.3, Indicator 3</u> An accounting record system in place to monitor and implement financial solutions in the pilot areas.	0	(accounting record designed for each site)	1 in each pilot site	- Accounting Record Manual adapted to each site - Record book available in each site - Project Annual Reports	CITMA- Environmental Finance Inter- institutional Mechanism.

Annex 3. Theory of Change graphic

Desired Change

Enabling environmental finance framework as SDG accelerator created in Cuba.

ToC General Objective	If an enabling framework for the management of environmental finances, gender- and age-sensitive is designed, and integrated into the country strategy for financing development, and the technical capacities of key institutions and actors are improved; the creation of an inter-institutional mechanism is facilitated that can explore new sources of financing, diversify environmental flows at the local and international level, and assign and manage these resources to be effective in overcoming the challenges of biodiversity and confronting climate change, with which, in addition, it would be promoting the achievement of the SDGs by strengthening its means of implementation.		
Strategic Priorities	Capacity-building of key institutions and stakeholders to mainstream environmental finance in the development financing strategy.	Articulation of key stakeholders in coordination and planning actions of resources devoted to biodiversity and climate-related actions.	Capacity-building of key local stakeholders to implement financial solutions that contribute to mobilize additional resources for biodiversity and climate change adaptation.
Outcomes	Created an enabling framework for the planning, management and mobilization of resources of environmental finance in Cuba.	Environmental finance is integrated into national policies through a roadmap that will accompany the country in mobilizing resources until 2030.	Enhanced mobilization of additional resources for Cuba from the implementation of 2 innovative environmental finance solutions in the non-state sector.
Outputs	<ul style="list-style-type: none"> Established inter-institutional coordination mechanism that includes at least 70% of the key institutional stakeholders and 60% of the provinces that stands out for being inclusive and promoters of gender and generational equality. Strengthened capacities of stakeholders involved in the inter-institutional mechanism. Environmental finance digital platform developed and connected to the National Environmental Information System. 	<ul style="list-style-type: none"> Roadmap for environmental finance designed and conciliated with key stakeholders. Plan of action for roadmap implementation drawn up and conciliated with key stakeholders. Gender-responsiveness of key national and local stakeholders strengthened to implement the roadmap and plan of action considering SDGs linked to gender equity and the empowerment of women in Cuba in an integrated manner. 	<ul style="list-style-type: none"> Established basis for the development of a gender-sensitive national MEBA model. Created capacities for pilot implementation of a MEBA financial mechanism. Mobilization of additional resources planned up to 2030 on the basis of the implementation of at least two financial solutions, including microfinance, in two pilot sites, for gender-responsive biodiversity conservation and climate change adaptation actions.
Activities	<ul style="list-style-type: none"> Mapping policy, legal and implementation gaps. Defining key stakeholders and programs that contribute to environmental finance and identify synergies among them. Draw up legal and methodological bases for the desired coordination mechanism and define its management structure and governance. Design and implement an awareness-raising and training program considering the gender dimension of environmental finance. Design the Digital Platform and assess its performance. Assess the performance of the mechanism and environmental finance mainstreaming into the development financing framework. 	<ul style="list-style-type: none"> Design a roadmap that includes steps to harmonize and adapt laws, build capacities, create verification and reporting methods and implement innovative financial solutions. Draw up of a plan of action that identifies actions, responsible parties, deadlines, and additional resource mobilization projection for the implementation of financial solutions. Conciliate both proposals with leading agencies and entities. Design and implement a dissemination and awareness-raising program. 	<ul style="list-style-type: none"> Draw up the baseline and survey for the introduction of environmental microfinance in Cuba and develop a national gender-sensitive MEBA model. Determine biodiversity financial solutions of greater functionality in each pilot site and a recording system for their economic assessment. Train key institutions and local stakeholders. Plan additional resource mobilization in the short and medium terms, on the basis of the implementation of solutions defined in each pilot site.
Barriers	<ul style="list-style-type: none"> Lack of platforms/structures/mechanisms to articulate environmental finance. Knowledge gaps and poor understanding of the importance and need to implement biodiversity financial mechanisms that ensure its conservation and sustainable use. Limited development of IT tools for environmental finance information management integrated to national information systems. 	<ul style="list-style-type: none"> Inadequate environmental finance legal and institutional framework and legal and implementation gaps on existing regulations. Environmental finance is disarticulated from the development financing strategy and not considered into the INFM. Limitations in existing accounting records and lack of disaggregated and gender-sensitive environmental statistical information. 	<ul style="list-style-type: none"> Poor development of the microfinance sector. Limited experience on environmental management financial resource mobilization potentials of the non-state sector. Local production stakeholders are unaware of the benefits of biodiversity financial solutions. Lack of pilot sites to implement biodiversity financial solutions that facilitate their upscaling.

Inadequate treatment of the gender issue in environmental finance solution proposals and persistence of sexist sociocultural patterns.

PROBLEM

while Cuba shares SIDS vulnerabilities, it has defined an Environmental and Natural Recourses macro-program with ambitious objectives in line with the SDGs and has the experience of initiatives like BIOFIN that has set guidelines for addressing environmental finance; it has not succeeded in harnessing environmental finance opportunities at national and global levels, and the current mobilization of resources destined to the execution of the actions required by the country in this area is insufficient; due to knowledge gaps and regulatory and institutional gaps that still exist.

Indicator		Score	Findings and Explanation	Evidence or Means of Verification
N°	Formulation			
1.1	Context analysis integrate	2	<p>The situation analysis and the baseline of the JP display findings relating to the gender analysis performed, in particular:</p> <ul style="list-style-type: none"> -In the approach to the problem, the JP takes into account objectives of the Natural Resources and Environment Macroprogram in which it is considered key to address gender dimensions. It is explicit that there is also the challenge of understanding the architecture of environmental finance in a gender-sensitive way; and among the SDGs it plans to accelerate, the JP highlights target 5.c related to gender equality. -It is pointed out that the JP takes into account that in the country there are gender inequalities whose attention is a priority of sustainable development. -It is highlighted that the solution that the JP will give to this problem is programmed with gender sensitivity, contributing to the implementation of the National Program for the Advancement of Women. At the same time, civil society organizations, such as the Federation of Cuban Women (FMC), are actors that will benefit and are an active part of the Joint Program, along with other institutional actors who have experience in contributing to gender equality and who will ensure this principle and objective in the JP. -In terms of data, the JP considers the rural population of the selected pilot sites, highlighting the number of women (21,237 people, of whom 9,875 women). 	<p>In fact, "the JP takes into account that also in the country the participation in disaster risk management, vulnerabilities, impacts, capacities and effective responses to environmental challenges are differentiated according to gender. These differentiated and inequalities have been collected in related initiatives such as Basal and are valid to consider them in the architecture of environmental finance".</p> <p>"The JP will contribute to the implementation of the GPA, in particular to the measure related to the deepening of the gender approach and its practical application in the issues of environmental protection and adaptation to climate change. In addition, the proposed Enabling Framework, being gender responsive, will ensure that gender dimensions are visualized and considered in the assessment of environmental issues; which is essential to compete for the financial resources of environmental and climate funds that have incorporated the gender dimension into their policies and operations, and recognize women's rights as inalienable and essential for sustainable development."</p>

Indicator		Score	Findings and Explanation	Evidence or Means of Verification
N°	Formulation			
1.2	Gender Equality mainstreamed in proposed outputs	2	<p>-In two of the results of the JP, their gender sensitivity is made explicit and that they consider gender responsive products.</p> <p>-One of the JP's products specifically target gender equality in line with SDG priorities, including SDG 5: Output 2.3 "Strengthened gender competencies of key national and local institutions to make use of the roadmap and action plan for environmental finance, considering in an integrated manner the attention to SDG targets related to gender equality and women's empowerment in Cuba."</p> <p>Also, among the impact groups are "young people and women with unsized opportunities for their labor insertion".</p> <p>-Other products and some of their activities are gender sensitive.</p>	<p>Result 1: Created an enabling framework for the planning, management and mobilization of resources of environmental finance in Cuba.</p> <p>Outcome 3: Enhanced mobilization of additional resources for Cuba from the implementation of 2 innovative environmental finance solutions in the non-state sector.</p>
1.3	Programme output indicators measure changes on gender equality	3	<p>-Of the 21 indicators on JP, 5 are gender-specific and 9 gender sensitive; for 67% of indicators that will account for some change that contributes to gender equality.</p> <p>- Of the total output indicators (17), 70% will measure contributions to gender equality: 12 output indicators are gender sensitive, and of these, 5 are gender-specific indicators.</p>	<p>-Existence of a training program on the gender goals of the SDGs and strategies for their attention in environmental finance.</p> <p>- Availability of a Digital Information Platform for environmental finance, which makes gender dimensions visible and can be connected to the SIAN.</p> <p>-# of institutions and key actors participating in the mechanism, disaggregated by sex, age and provinces. (Target 2: At least 70% of key national actors and 60% of provincial actors. Of these, at least 1 institution with experience in gender issues, at the national level and in each province)</p>
2.1	PUNO collaborate and engage with	2	The CP contributes to substantively strengthening government engagement and participation in the localization and/or implementation of gender-related SDGs.	- In systematic dialogue and joint programming with institutions such as MEP, CITMA, ONEI, MINCEX, MINAG,

Indicator		Score	Findings and Explanation	Evidence or Means of Verification
N°	Formulation			
	Government on gender equality and the empowerment of women		<p>a) Among the key actors of the direct target groups consulted and that will strengthen their gender capacities through the actions of the JP, the following stand out:</p> <ul style="list-style-type: none"> - the Ministry of Economy and Planning (MEP), which leads the JP's gender group accompanied by ECLAC/UNDP "Support for the development of an Integrated National Financing Framework for the SDGs in Cuba"; and -the Ministry of Agriculture (MINAG), with experience and leadership in the implementation of the Gender Strategy of the Agriculture System. <p>(b) The Federation of Cuban Women (FMC) is also part of the JP, with leadership in the promotion of gender equality in the country. The Office of the Comptroller General of the Republic is among the other key actors with active participation in the mechanism supported by the JP; she monitors the information for the monitoring of commitments in the achievement of the SDGs and the National Plan and is recognized for her experience in conducting gender audits.</p>	specific products, activities, budgets are agreed; at the same time, the results that the JP will contribute to achieving are gender-sensitive. In correspondence, the gender commitment and competencies of key actors in national and local government will be strengthened.
2.2		2	<p>The Federation of Cuban Women (FMC), an NGO and national mechanism for the advancement of women and gender equality, will participate in the implementation of the JP. In fact, it is one of the key actors in the direct target groups, and its impact is at national and territorial level.</p> <p>Among the key actors of the Indirect Target Groups of the CP, civil society associations with experience in the implementation of the Gender Strategy of the Agriculture System stand out. In particular: the National Association of Small Farmers (ANAP) and the Cuban Association of Agricultural and Forestry Technicians (ACTAF).</p> <p>All will strengthen their participation in the localization and implementation of the gender-related SDGs; while helping other government and civil society actors also strengthen</p>	<p>The CP mentions, among others, the NGOs mentioned. It is also explicit that "the participation of civil society organizations with experience in gender mainstreaming such as the FMC (National Mechanism for the Advancement of Women), actaf, ANAP, among others, will be emphasized, which will be integrated into the team providing forms of follow-up and actions to ensure the responsive gender contribution of the JP."</p> <p>-Highlights the participation of the FMC in R2, product 2.3 and the pilot initiatives of R3.</p>

Indicator		Score	Findings and Explanation	Evidence or Means of Verification
N°	Formulation			
			their commitments and practices to gender equality and women's empowerment.	
3.1	Program proposes a gender-responsive budget	1	The percentage of CP allocated to contribute to gender equality is 17.6%	The budget allocated to R2 and R3 stands out.
Total scoring		2		

Annex 5. Budget and Work Plan

5.1 Budget per UNSDG categories

UNDG BUDGET CATEGORIES	PNUD		PNUMA		TOTAL	
	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)
1. Staff and other personnel	57,810	94,899	110,000		167,810	94,899
2. Supplies, Commodities, Materials	1,272		0		1,272	
3. Equipment, Vehicles, and Furniture (including Depreciation)	64,200		0		64,200	
4. Contractual services	241,107		95,980		337,087	
5. Travel	37,632		18,360		55,992	
6. Transfers and Grants to Counterparts						
7. General Operating and other Direct Costs	27,910		19,000		46,910	
Total Direct Costs	429,931		243,340		673,271	
8. Indirect Support Costs (Max. 7%)	30,095	17,034	47,129			
TOTAL Costs	460,026	94,899	260,374	720,400	94,899	
1st year	207,618	47,449	152,582	360,200	47,449	
2nd year	252,408	47,449	107,792	360,200	47,449	

5.2 Budget per SDG targets

SDG TARGETS		%	USD
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 climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality	9%	73,377
5c	Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels	9%	73,377
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.	8%	65,224
12.2	By 2030, achieve the sustainable management and efficient use of natural resources	9%	73,377
13.2	Integrate climate change measures into national policies, strategies and planning	9%	73,377
15.9	By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts	10%	81,530
17.1	Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection	12%	97,836
17.3	Mobilize additional financial resources for developing countries from multiple sources	11%	89,683
17.14	Enhance policy coherence for sustainable development	12%	97,836
17.17	By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement GDP, and support statistical capacity building in developing countries	11%	89,683
TOTAL		100%	815,298

5.3 Work plan

Output	Annual target/s		List of activities	2022				2023				PLANNED BUDGET				PUN O/s involved	Implementing partner/s involved		
	2022	2023		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Overall budget description	Joint SDG Fund (USD)	PUNO Contribution (USD)	Total Cost (USD)				
Outcome 1. Created an enabling framework for the planning, management and mobilization of resources of environmental finance in Cuba.																			
Output 1.1 An inter-institutional coordination mechanism has been established, made up by key stakeholders for managing environmental finance in Cuba to support the implementation of the 2030 PNDES macro-programs.	The interinstitutional mechanism agreed with the key stakeholders has been established.	The performance of the mechanism has been evaluated	1.1.1 Mapped environmental finance policy, regulation and implementation gaps, defining current key institutions and mechanisms or programs contributing to environmental finance.	X	X														
			1.1.2 Define synergies between programs evaluated under 1.1.1 and propose a mechanism that integrates the identified potentials in the 2030 PNDES macroprograms.		X														
			1.1.3 Develop the policy and methodological basis of the interinstitutional mechanism and define its management and governance structure.		X	X	X												
			1.1.4 Evaluate the performance of the interinstitutional mechanism proposed and the integration of environmental finance into development financing policies.					X	X	X	X	X							
											48,413		48,413		UNDP	Ministry of Science, Technology and the Environment (CITMA). Ministry of Economy and Planning (MEP): Ministry of Finance and Prices (MFP), The Central Bank (BCC). National Office of Statistics and Information (ONEI): Ministry of Foreign Trade and Foreign Investment (MINCEX): National SDG Group			

Output	Annual target/s		List of activities	2022				2023				PLANNED BUDGET				PUN O/s involved	Implementing partner/s involved		
	2022	2023		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Overall budget description	Joint SDG Fund (USD)	PUNO Contribution (USD)	Total Cost (USD)				
Output 1.2 Strengthened capacities of stakeholders involved in the inter-institutional mechanism.	Key stakeholders involved in the mechanism have been identified and training materials are being developed	Key stakeholders involved in the mechanism have been trained.	1.2.1 Identify the key national and local stakeholders participating in the interinstitutional mechanism and their training needs on main topics being promoted (biodiversity, climate change, environmental finance, MEbA, environmental and social safeguards, gender equality in climate change adaptation, gender - responsive financing), taking into consideration crosscutting and specific key gender dimensions.	X	X														
			1.2.2 Develop Guidelines/Manuals addressing environmental finance management in a comprehensive manner, placing emphasis on gender matters and identified environmental and social safeguards.		X	X	X		X	X	X	X							
			1.2.3 Implement an awareness-raising and training program for key stakeholder groups and potential MEbA beneficiaries, taking into account the knowledge gaps identified.			X	X			X									
												119,370	23,906	143,276					

Output	Annual target/s		List of activities	2022				2023				PLANNED BUDGET				PUN O/s involved	Implementing partner/s involved
	2022	2023		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Overall budget description	Joint SDG Fund (USD)	PUNO Contribution (USD)	Total Cost (USD)		
					1.2.4 Implement an awareness-program for all key stakeholders involved in the mechanism on gender-equality issues (that include existing instruments and methodologies for environmental and climate projects), as a guiding principle of the SDGF in order to leave no one behind.			X	X			X					
Output 1.3 A Digital Platform to address environmental finance providing visibility to gender dimensions and connected to SIAN has been established	Digital Platform designed and technical infrastructure strengthened.	Digital Platform connected to SINA implemented and its operating capacity evaluated.	1.3.1 Identify infrastructure and knowledge needs to implement the environmental finance Digital Platform and integrate it into the national environmental information system.	X	X								55,360	55,360.00	UNDP	Ministry of Science, Technology and the Environment (CITMA). Ministry of Economy and Planning (MEP): Ministry of Finance and Prices (MFP), The Central Bank (BCC). National Office of Statistics and Information (ONEI):	
			1.3.2 Design a Digital Platform for environmental finance in Cuba, including MEbA, that provides visibility to gender dimensions and aimed at strengthening the technical infrastructure for its implementation.		X	X	X										
			1.3.3 Build technical capacities for key stakeholders involved in the mechanism to access the Platform.			X	X		X		X						
			1.3.4 Implement the Platform and connect it to the National Environmental Information System.				X	X	X	X	X						

Output	Annual target/s		List of activities	2022				2023				PLANNED BUDGET				PUN O/s involved	Implementing partner/s involved		
	2022	2023		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Overall budget description	Joint SDG Fund (USD)	PUNO Contribution (USD)	Total Cost (USD)				
			1.3.5 Evaluate the effectiveness of the Digital Platform (number of visits, contents most accessed, among others.)					X	X	X	X						Ministry of Foreign Trade and Foreign Investment (MINCEX): National SDG Group		
SUBTOTAL OUTCOME 1												223,142	23,906	247,048					
Outcome 2: Environmental finance is integrated into national policies through a roadmap that will accompany the country in mobilizing resources until 2030.																			
Output 2.1 An environmental finance roadmap was designed, discussed and agreed with key stakeholders.	Coordination for developing a roadmap has begun.	Roadmap has been discussed and agreed with key stakeholders and dissemination and awareness-raising program has been executed.	2.1.1 Develop a roadmap with the participation of key national and local stakeholders to implement environmental finance in Cuba. The roadmap shall include steps to harmonize and adapt legislations, build capacities, develop verification and reporting methods, implement innovative financial solutions, and plan the potential mobilization of additional resources up to 20030, by implementing it.			X	X	X	X					The proposed activities are aimed at the participatory construction of the road map and the action plan with the national and territorial key actors identified; the dissemination of the actions integrated into the documents to be prepared, as well as their results, and the carrying out of awareness-raising actions on environmental finance. For this, it is necessary to hire a team of technical consultants to	92,137	21,670	113,807	UNDP	Ministry of Science, Technology and the Environment (CITMA). Ministry of Economy and Planning (MEP): Ministry of Finance and Prices (MFP), The Central Bank (BCC). National Office of Statistics
			2.1.2 Discuss and agree the roadmap proposed with key agencies and decision makers, in order to ensure short and mid-term implementation commitments..				X	X	X	X	X								

Output	Annual target/s		List of activities	2022				2023				PLANNED BUDGET				PUN O/s involved	Implementing partner/s involved		
	2022	2023		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Overall budget description	Joint SDG Fund (USD)	PUNO Contribution (USD)	Total Cost (USD)				
			2.1.3. Develop a gender-responsive dissemination and awareness-raising program for the roadmap designed.					X	X	X	X							and Information (ONEI): Ministry of Foreign Trade and Foreign Investment (MINCEX): National SDG Group	
Output 2.2 A Plan of Action to implement the roadmap was designed, discussed and agreed with key stakeholders.	Coordination actions to develop a roadmap have begun.	Roadmap has been discussed and agreed with key stakeholders and dissemination and awareness-raising program has been executed.	2.2.1 Define, with the participation of key stakeholders, a plan of action that identifies the actions, parties in charge, deadlines and mobilization of additional resources planned to implement financial solutions aimed at biodiversity protection and climate change adaptation.			X	X	X	X					support this task, as well as the communicators and designers who will be in charge of developing the communication strategy on this issue. In addition, the information and awareness raising of key and directive actors will be carried out, through meetings, sectorial and regional workshops, as well as trips to exchange experiences.	51,797	9,500	61,297	UNDP	Ministry of Science, Technology and the Environment (CITMA). Ministry of Economy and Planning (MEP): Ministry of Finance and Prices (MFP), The Central Bank (BCC). National Office of Statistics and Information (ONEI): Ministry of Foreign
			2.2.2 Discuss and agree the proposed plan of action with the bodies and entities in charge of its implementation, agreeing on the targets and deadlines.				X	X	X	X	X								
			2.2.3. Promote dissemination of the actions contained in the plan of action and the results achieved,					X	X	X	X								

Output	Annual target/s		List of activities	2022				2023				PLANNED BUDGET				PUN O/s involved	Implementing partner/s involved
	2022	2023		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Overall budget description	Joint SDG Fund (USD)	PUNO Contribution (USD)	Total Cost (USD)		
Output 2.3 Gender-responsiveness of key local and national institution was strengthened to implement environmental finance roadmap and plan of action, taking into consideration the SDGs targets related to gender equality and the empowerment of women in Cuba.	Awareness-raising actions have begun.	Intensive training program implemented	2.3.1 Carry out awareness-raising actions on gender-responsive environmental finance (meetings, workshops, exchanges with communication products) with stakeholders (women and men) involved in the development and implementation of the roadmap and the plan of action, emphasizing on executives and leading men of the institutions.			X	X	X	X					11,577	11,577	UNDP	Trade and Foreign Investment (MINCEX): National SDG Group
			2.3.2 Design and implement an intensive training program on the SDG gender-related SDGs and strategies for their management of environmental finance, including practical actions and exercises in the use of the roadmap and plan of action developed.				X	X	X	X	X						
			2.3.3 Gender-sensitive communication of the					X	X	X	X						

Output	Annual target/s		List of activities	2022				2023				PLANNED BUDGET				PUN O/s involved	Implementing partner/s involved
	2022	2023		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Overall budget description	Joint SDG Fund (USD)	PUNO Contribution (USD)	Total Cost (USD)		
			training program results and of the best practices of executives and leading men in the implementation of the roadmap and plan of action developed.														Ministry of Foreign Trade and Foreign Investment (MINCEX): National SDG Group
SUBTOTAL OUTCOME 2												155,510.2	31,170.0	186,680			
Outcome 3. Enhanced mobilization of additional resources for Cuba from the implementation of 2 innovative environmental finance solutions in the non-state sector.																	
Output 3.1 The basis for a gender-sensitive MEbA model has been established, allowing key local stakeholders (micro-financial institutions, cooperatives and beneficial owners, public stakeholders) to know more about the	Baseline and diagnosis for MEbA model has been defined	Climate risk management methodology has been proposed and capacities built in at least one key institution.	3.1.1. Define the baseline and diagnosis for developing a MEbA model in the country, based in the mapping of the potentials of the national institutions regarding inclusive microfinance for Ecosystem based Adaptation, prior related experiences in other initiatives (MST Program and BIOFIN) , as well as on the main characteristics of agricultural production to define the most adequate MEbA solutions and the model adjustment parameters in accordance with the Cuban context.	X	X	X						This Output will address the convenience of drawing up the baseline for the development of a MEbA model in the country, which creates conditions to introduce environmental microfinance based on the experience in two pilot sites. In this context, the interventions respond to the need to propose a MEbA climate risk management methodology and a scheme for	141,660		141,660.00	UNEP	Ministry of Science, Technology and the Environment (CITMA). Ministry of Economy and Planning (MEP): Ministry of Finance and Prices (MFP), The Central Bank (BCC). National Office of
			3.1.2 Develop, based on the information available (climate threats,		X	X	X	X	X								

Output	Annual target/s		List of activities	2022				2023				PLANNED BUDGET				PUN O/s involved	Implementing partner/s involved	
	2022	2023		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Overall budget description	Joint SDG Fund (USD)	PUNO Contribution (USD)	Total Cost (USD)			
potentials of MEbA taxonomy and the risk management methodology, and to implement a financial pilot mechanism.			characteristics of the crops, and others) a MEbA climate risk management methodology for Cuba and a structure for the decision making platform to grant micro credits.															Statistics and Information (ONEI); Ministry of Foreign Trade and Foreign Investment (MINCEX); National SDG Group. Non state sector
			3.1.3. Build capacities in an institution regarding microfinance, MEbA methodology, climate taxonomy, climate risks, ecosystem based adaptation products and services.			X	X	X	X									
Output 3.2 Capacities have been built for the implementation of a pilot financial mechanism for MEbA that will contribute to mobilize additional resources for climate change adaptation.	Training of local key stakeholders has began,	Local key stakeholders have been trained and mobilization of additional resources by implementing the MEbA mechanism has been planned.	3.2.1 Train at least 25% of key local stakeholders (financial , banking, governmental institutions, producers, cooperatives) on the potentials of the financing mechanisms for Melba in the two pilot sites.			X	X	X	X	X								Ministry of Science, Technology and the Environment (CITMA). Ministry of Economy and Planning (MEP); Ministry of Finance and Prices (MFP), The Central
			3.2.2. Estimate, in accordance with the characteristics of the pilot sites, the potential MEbA demand, the economic and financial rate of return, as well as the installed supply				X	X	X	X	X							
												69,880		69,880.00	UNEP			

Output	Annual target/s		List of activities	2022				2023				PLANNED BUDGET				PUN O/s involved	Implementing partner/s involved					
	2022	2023		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Overall budget description	Joint SDG Fund (USD)	PUNO Contribution (USD)	Total Cost (USD)							
			capacity; identify financing sources and description of their respective function in granting loans; establish MEbA eligibility criteria to receive funds.																			
			3.2.3 Project the short- and medium- term mobilization of additional resources, based on the implementation of the MEbA mechanism for climate change adaptation actions in each pilot site.			X	X	X	X	X	X	X										
Output 3.3 Mobilization of additional resources up to 2030 for gender-responsive biodiversity conservation and climate change adaptation actions has been projected,	Diagnosis of identified pilot sites has been submitted and capacity-building process has begun.	Short- and medium-term mobilization of additional resources through microfinance and the implementation of at least one financial solution for	3.3.1 Conduct diagnosis of pilot sites to define the characteristics of the production systems, green agricultural practices, adaptation measures and resources available (equipment, infrastructure, financial.)	X	X																	
			3.3.2 Evaluate the biodiversity financial solutions identified in the BIOFIN initiative with best	X	X																	

Output	Annual target/s		List of activities	2022				2023				PLANNED BUDGET				PUN O/s involved	Implementing partner/s involved				
	2022	2023		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Overall budget description	Joint SDG Fund (USD)	PUNO Contribution (USD)	Total Cost (USD)						
with the implementation of at least two financial solutions, including microfinance, in two pilot sites.		environmental actions has been projected.	possibilities of being implemented in each pilot site, including the implementation of at least one OIGACC initiative.																		
			3.3.3 Build capacities (in terms of training, equipment, inputs) in the pilot sites for the implementation of the defined solution(s), emphasizing on gender and generational equality.			X	X	X	X												
			3.3.4 Implement an accounting record system that analyzes expenditures, incomes, profits and other items, in order to monitor the results of the solutions applied in each intervention area.					X	X	X	X	X									
			3.3.5 Project the short- and medium- term mobilization of additional resources, based on the implementation of the solutions defined, integration MEbA projections in 3.2.3 for biodiversity conservation and climate change adaptation actions in each pilot site.										X	X							
			3.3.6 Design and implement a tool for monitoring indicators/minimum requirements to integrate gender dimensions in the projection of financial										X	X							

Output	Annual target/s		List of activities	2022				2023				PLANNED BUDGET				PUN O/s involved	Implementing partner/s involved
	2022	2023		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Overall budget description	Joint SDG Fund (USD)	PUNO Contribution (USD)	Total Cost (USD)		
			solutions for gender-responsive biodiversity and climate change adaptation.														
SUBTOTAL OUTCOME 3											254,282.00	32,793.4	287,075				
Joint Programme Management	Communication strategy - Joint programme (1.6%)		X	X	X	X	X	X	X	X	It includes visibility, and advocacy costs for the entire Joint Programme.	40,336.82		40,336.82	UNDP		
	Monitoring, Reporting, Evaluation and audit costs (3.5%) Joint Program		X	X	X	X	X	X	X	X	It is the budget used for conducting the Final Evaluation, as well as the monitoring, reporting and audit.						
	Steering Committee meetings					X				X	Steering Committee meetings						
TOTAL JOINT PROGRAMME MANAGEMENT											40,336.82		40,336.82				
											TOTAL DIRECT COST	673,271	87,869	761,140			
											8. Indirect Support Costs (Max. 7%)	47,129	7,030	54,159			
											TOTAL COST	720,400	94,899	815,299			

Annex 6. Risk Management Plan

Risks	Risk Level: (Likelihood x Impact)	Likelihood: Certain - 5 Likely - 4 Possible - 3 Unlikely - 2 Rare - 1	Impact: Essential - 5 Major - 4 Moderate - 3 Minor - 2 Insignificant - 1	Mitigating measures	Responsible Org./Person
Context Risks					
Sharpening of the US economic and financial blockade on Cuba affecting contract with international suppliers.	High 15	5	3	Use the UNDP Procurement Unit experience to import the project required goods and services. Put in place a procurement plan since the beginning of the Project.	Project Steering Committee
Increasing international economy deterioration as a result of the COVID pandemic.	High 9	3	3	Anticipate and implement risk management plans for this kind of phenomena.	Project Steering Committee
Damages caused by extreme natural and sanitary events (hurricanes, floods, droughts, new COVID strains) forcing national institutions to adjust priorities.	High 12	3	4		
Slowdown of the economic model updating process.	High 15	3	5		
Existing gender stereotypes and sexist socio-cultural patterns limiting men´s full equality and women´s empowerment in every development sphere (including environment finance and sustainability).	Medium 6	2	3	Support promotion and communication activities.	Project Steering Committee
The government will not continue to prioritize environmental finance	Low 4	1	4	Involve key government institutions in mechanism for validation the results of	Project Steering Committee

Risks	Risk Level: (Likelihood x Impact)	Likelihood: Certain - 5 Likely - 4 Possible - 3 Unlikely - 2 Rare - 1	Impact: Essential - 5 Major - 4 Moderate - 3 Minor - 2 Insignificant - 1	Mitigating measures	Responsible Org./Person
				environmental finance enabling framework.	
Programmatic Risks					
The required articulation among the multiple institutions involved in the Project is not achieved.	High 12	3	4	Include all institutions in the Project governance mechanisms. Provide participation visibility of all institutions.	Project Steering Committee and Inter-institutional Environment Finance Mechanism
Poor or inadequate disaggregated statistical information availability associated with environment finance thus having a negative impact on proposed outputs.	High 9	3	3	Strengthen the role to be played by the National Statistics Office (ONEI) as key actor by using sectorial and territorial information system potentialities validated by this entity.	Project Steering Committee and ONEI
Delays in foreseen deadlines to develop activities due to delays in hiring goods and services to support the proposed activities.	Medium 6	2	3	Anticipate a procurement and follow-up specific deadline plan contained in the Terms of Reference.	Implementing agencies (UNDP-UNEP) and Project Steering Committee.
Institutional Risks					
Change of representatives from institutions involved in the Project.	Medium 6	2	3	Define with officials from national institutions involved in the Project follow-up.	Project Steering Committee.
Delay in the implementation of activities assigned to national institutions due to complexities associated with the required coordination and agreements and isolation conditions imposed by the COVID pandemic.	Medium 8	2	4	Systematically monitor substantial advances achieved. Incorporate project key milestones in work plans from both the institutions and the national group.	Key national institutions and Project Steering Committee

Risks	Risk Level: (Likelihood x Impact)	Likelihood: Certain - 5 Likely - 4 Possible - 3 Unlikely - 2 Rare - 1	Impact: Essential - 5 Major - 4 Moderate - 3 Minor - 2 Insignificant - 1	Mitigating measures	Responsible Org./Person
Strengthened capacities of non-state sector stakeholders involved in interventions are insufficient, thus limiting the scope of outcomes in implementing financial solutions.	Medium 8	2	4		Project Steering Committee.
Fiduciary Risks					
Disbursements are not received on time.	High 9	3	3	Establish partnerships with local and national entities to support the set of annually defined actions.	Project Steering Committee
Increasing local market prices of services to be hired (printing, workshop logistics) due to the monetary overhaul impact.	High 9	3	3	Adjust the scope of services without generating a negative impact on expected outcomes.	Project Steering Committee.