

May 7, 2012

Comments from Germany on Dominica's Strategic Program for Climate Resilience

General Comments

We would like to congratulate the Government of Dominica for presenting a very elaborate SPCR document. Its selection of components (food security, risk management framework & climate financing and ecosystem/infrastructure resilience) and themes appears highly sensible.

However, some concerns remain, particularly related to cooperation and coordination with the regional SPCR; governance and management questions; stakeholder roles and responsibilities within the different components; benefits for local communities; sustainability issues in the context of the SPCR financing staff positions; indicators; plans, strategies and policies; the capacity development approach; details on approaches on access to climate finance, micro-finance and micro-insurance; additional funding; addressing gender issues; and incorporating learning and knowledge management into the components of the SPCR.

In summary, we would suggest a number of adjustments and changes of design in the SPCR document and/or during the upcoming stages of project preparatory work.

Although the SPCR for Dominica broadly outlines those components and activities where **links with the regional track SPCR** exist, it does not become clear how exactly the two programs support and inform each other. **We therefore recommend clarifying the cooperation and coordination between the two programs, both with regard to specific activities as well as with regard to mechanisms of cooperation (e.g. forms and frequency of exchange).**

One matter of serious concern is the **governance and management structure** of the program. The SPCR document does not provide sufficient clarity on this. Reference is made to another document, the *Dominica Low Carbon Climate Resilient Strategy*, which is said to be a revolving and regularly updated strategy. Furthermore, the coordinating body, the *Council for Environment, Climate Change and Development* (CECCD) and the Division for *Environment, Climate Change and Development* (DECCD), which will be the secretariat of the council, are not yet existing and have to be legally established by the *Environment, Climate Change and Development Bill* by the end of 2012. Although it is very much welcomed that Dominica intends to improve its environmental and climate change related legislation, there are several major risks involved: firstly, that the legislation is not approved; secondly, that the new structure needs a lot of time to become functional and operative; and thirdly, that the new structure lacks implementation capacity.

We therefore strongly recommend (a) clarifying the provisions with regard to the governance and management structure within the SPCR (who is responsible for what, how the private sector and non-governmental organisations will be involved, what coordination mechanisms with other ministries are envisaged, etc.); **(b) formulating a fall-back option in case that the legislation is not passed; and (c) putting strong emphasis on the performance in the mid-term review** (which is already foreseen).

The same applies to the **Climate Change Trust Fund** to be created under the new legislation. **Here also, it is recommended that the governance and management structure plus a fall back option should be developed. In addition, concrete**

information of the target groups supposed to benefit from this fund as well as criteria for the selection of adaptation measures should be provided.

In general, within the description of the components it does not always become clear who the stakeholders to be involved are, and who the implementing partners are. **We therefore recommend further clarifying stakeholder involvement and implementing actors, at least per component.**

Although having been identified as highly vulnerable, it seems that the direct benefits for local communities might be somewhat limited with regard to their livelihoods. (Exceptions might be the infrastructure investment coming mainly from other than PPCR resources in component 3; some community piloting in component 1; and the *Climate Change Trust Fund*.) **We therefore recommend to reconsider how communities could benefit more – and more directly – through the SPCR. One option for this could be to increase the resources in the *Climate Change Trust Fund* (now 1 million US\$) – which in our understanding is expected to directly provide resources for adaptation measures for the communities.**

Furthermore, we would like to emphasize the point made by the independent technical reviewer, that **staff positions initially financed by the SPCR should be transferred quickly to regular core government budgets to ensure sustainability.**

Some of the indicators in the SPCR outputs and outcomes table (page 11 ff) are weak or in our understanding might even be counterproductive. For instance “*Reduced annual budgetary allocation for addressing impacts from climate change and climate variability and corresponding increase in social/ economic development spending*” might send the wrong signal regarding the need for and urgency of adaptation. In our understanding, successful mainstreaming of adaptation and climate resilient development will need to anticipate measures *both* for addressing the impacts of climate change *and* leading to social and economic development. An *increase* of such adaptation measures in the budget would be a positive signal. Furthermore, there are indicators that have already been accomplished, like for instance “*Cabinet approved of Dominica’s Low Carbon Climate Resilient Development Strategy demonstrating highest level government commitment to transformational change*”. **Thus, we recommend checking if the proposed indicators are appropriate, and, while doing so, also check whether to meet the SMART (specific, measurable, accepted, realistic and time bound) criteria.**

Comments on Individual Components / Projects / Measures

Component 1: Promotion of Food Security through Climate Resilient Agricultural/Fisheries Development

It seems that there are numerous plans, strategies and policies e.g. *The National Low-Carbon Climate-Resilient Development Strategy*, the *National Physical Development Plan*, the *National Land Use Policy*, or the *Agricultural and Food Security Plan*. Further plans are expected to be supported by the SPCR, such as the *Integrated Resource Management Plan*, or community adaptation plans. Although plans, strategies and policies are crucial for adaptation, there is a risk that they are not effective and do not lead to the expected impacts. **Against this background we recommend considering the success of past plans, strategies and policies to draw lessons on how to guarantee successful implementation of future plans (e.g. through the inclusion of performance monitoring systems, through merging different plans, etc.).**

Component 2: Comprehensive Risk Management Framework and Sustainable Climate Change Financing

The intention to improve Dominica's access to climate finance is very much welcomed. But very little detail is given with regard to these activities. How will the access to climate finance be improved (trainings, external consultants, etc.?). The same is true for the establishment of micro-finance and micro-insurance for farmers. Compared to the complexity of such approaches, very little detail is given in the SPCR. **Has the demand for climate finance been analyzed? Who are the stakeholders to be involved? What could the products be? We recommend clarifying these points in the SPCR.** Recently, a study on the *Demand for Weather-related Insurance and Risk Management Approaches in the Caribbean* has been conducted by GIZ/MCII in four Caribbean countries (Belize, Grenada Jamaica, and St. Lucia) with funding from the German *Federal Ministry for Economic Cooperation and Development* (BMZ), which might provide useful information.

It is proposed that capacity building activities under the SPCR be executed by the *United Nations Development Programme* (UNDP) offices in Barbados through their *Organisation of Eastern Caribbean States* (OECS) *Environment and Sustainable Development Unit*. **in order to provide for sustainability of the approach UNDP could build capacities directly within national or regional capacity development entities (rather than deliver capacity development measures itself) that can then implement capacity development measures in Dominica.**

Component 3: Enhancing Ecosystem/Infrastructure Resilience and Promotion of Sustainable Human Settlements

Substantial additional funding is foreseen in component 3. Disbursement to our understanding is not yet confirmed. **We therefore recommend explaining how components deliver results in the case the additional funding cannot be provided.**

Comments on Cross-Cutting Issues

Participation

We highly appreciate the extensive efforts taken to allow participation of various stakeholders in the development of the SPCR.

Gender

Although the relation between **gender** and climate change has been analysed in other studies, which form the basis for the *Low Carbon Climate Resilient Development Strategy*, and although gender issues are reflected in this strategy, it is not clear how these findings are being taken into account in the SPCR. Gender issues are not included in the indicators and hardly reflected in the descriptions of the components. **We therefore recommend describing gender issues within the SPCR more explicitly and reflecting them in the indicators.**

Learning

Very little explanation is given on how **knowledge management** within the SPCR will be approached. **Given that knowledge management and learning are important aspects of the PPCR, we recommend that the SPCR should describe in far greater detail how the knowledge management is expected to work.**

Synergies with German Climate Change Related Engagement in the Country / Region

Two bilateral programs with CARICOM on climate change adaptation are currently under development and expected to commence soon, funded by the *Federal Ministry for Economic Cooperation and Development* (BMZ), and to be implemented by GIZ. These are: (i) *Adaptation to climate change in the Caribbean for the protection of natural resources and diversification in agriculture and forestry*; and (ii) *Management of coastal marine areas in the Caribbean*. The two programs work at the regional level through the participating organizations CARICOM, CEHI, CCCCC, IICA and CARDI. **A close cooperation with these programs, initially through the GIZ regional office in the Dominican Republic, is recommended.**

There is yet another program financed by the *Federal Ministry for the Environment, Nature Conservation and Nuclear Safety* (BMU), called *Climate risk adaptation and insurance in the Caribbean (Jamaica, St. Lucia, Grenada, Belize and Guyana)*. The program is implemented by the *Munich Climate Insurance Initiative* (MCII) and hosted at the *United Nations University Institute for Environment and Human Security* (UNU-EHS). Partners in the region are the *Caribbean Catastrophe Risk Insurance Facility* (CCRIF), *MicroEnsure*, and *Munich Re*. **Although the program does not cover Dominica, probably important lessons can be drawn from it with regard to micro-insurance.**