



Grenada

Strategic Program for Climate Resilience (SPCR)

Consolidated Comments and Response
to SPCR Phase Two Proposal

12 April 2011

Grenada

Prepared for the
Pilot Program for Climate Resilience (PPCR)

Introduction

In response to comments kindly provided by donors and contributors to the PPCR in the Caribbean Region, please find enclosed the following as requested:

Part 1. SUMMARISED COMMENTS AND CONSOLIDATED COMMENTS

All comments received and a short summary of all recommended changes to the SPCR submitted on 2 March 2011;

- 1.1 UK Department for International Development (DFID)
- 1.2 GIZ
- 1.3 JAPAN
- 1.4 CANADA

Part 2. RESPONSE TO COMMENTS

Responses to those comments, numbered for ease of cross-referencing to the revised SPCR;

Part 3. REVISED SPCR (Word document showing all changes made)

A separate revised SPCR document in Word format with “Track Changes” highlights still in place; and

(Filename: GRENADA SPCR track change 12APR.doc)

Part 4. REVISED SPCR (pdf document)

A pdf version of the revised SPCR with accepted “track changes”.

(Filename: GRENADA SPCR FINAL 12APR.pdf)

NOTE: Items 3. and 4. are attached as separate documents.

Knowledge, Awareness and Resilient Communities

In considering the comments made and the required revisions to the SPCR, the Government also recognizes that some of these comments pointed to the opportunity for possible addition of emphasis on community-based approaches (particularly for mainstreaming, water conservation, and overall awareness-building.

Similarly, additional emphasis has been placed on knowledge products, information for the general population on the needs and benefits of building climate change knowledge and what it means to be a resilient community.

The majority of material included below in Part 2. Response to Comments has been included within the text of the revised SPCR.

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1. SUMMARISED COMMENTS

1.1 UK Department for International Development (DFID)

Dear Patricia,

Thank you very much for sharing this with us. We are pleased to endorse Grenada's SPCR.

Overall the SPCR places Grenada in a strong position to be able to deliver effective change in terms of integrating climate risk and resilience into development planning and activities. Alignment of SPCR activities with ongoing initiatives will provide opportunities to maximise synergies in terms of both financial and technical aspects. Arrangements for programme management within the Project Co-ordination Unit (PCU) seem reasonably robust, and the Strategic Results Framework contains sufficiently elaborated indicators and Means of Verification (MoV) at this stage.

The livelihoods focus and participatory approach of the Forest Rehabilitation Programme is particularly commendable, with anticipated benefits for women particularly in terms of protection and diversification of livelihoods. However, although the SPCR makes considerable efforts to integrate gender aspects throughout, some of the benefits to gender-disadvantaged groups are assumed and details of how these will be measured and verified are not as yet provided. We would like to see more detail on this when the projects are submitted. We note the proposal that a major portion of the PPCR support to Grenada should supplement the IDA resources to cover the remaining financing gap in the DVRP and finance the priority investment programme that the government has formulated. At project approval stage we would like to see evidence that PPCR is supplementing and not substituting PPCR for money that the World Bank would have provided anyway. We have commissioned a piece of independent analysis of the SPCR which we would be happy to share with the Grenada PPCR team, if that would be helpful. Kind regards, Anna

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SUMMARISED COMMENTS (numbered for reference)

1. As suggested, the Strategic Results Framework indicators and Means of Verification (MoV) are adequate at this stage. These will be elaborated and substantiated initially during project preparation and in detail following the commencement of Phase Two. As the Reforestation project has not yet been appraised, the project concept will be refined and detailed during Phase Two implementation.

2. MEASURED AND VERIFIED BENEFITS TO GENDER DISADVANTAGED GROUPS

.... some of the benefits to gender-disadvantaged groups are assumed and details of how these will be measured and verified are not as yet provided.

3. SPCR FUNDING NOT OVERLAPPING IDA FUNDING

.... PPCR should supplement the IDA resources ... evidence that PPCR is supplementing and not substituting PPCR for money that the World Bank would have provided anyway.

1.2 GIZ

Decision and Actions:

1. They endorse the SPCR in principle subject to a revised version that takes into account their comments.
2. Responses need to be formulated with indications where changes have been made in the revised SPCR document. Once you have done this, please send to us and we will send to the Germans for an ok. If they are ok with the revisions, we proceed in the same fashion as with Samoa.
3. If we receive more comments and requests for revisions from other SC members, we will send the revised final version for a 48-hour no-objection clearance. If we do not receive any objections, we will send the final decision and attach the final version of the SPCR.

Comments on Grenada's Strategic Programme for Climate Resilience (SPCR)

The investment projects and technical assistance measures outlined in Grenada's SPCR are well designed and will in all likelihood improve climate resilience and contribute to capacity building on different levels. Hence, there are no major objections from our point of view. We would, however, like to suggest that some adjustments and clarifications be made in the SPCR document, as recommended below (see **bold** highlights).

Preliminary Note

German Development Cooperation has currently no activities in Grenada, but is working at the regional level with CARICOM through GIZ. Grenada and Carriacou have been part of an appraisal mission by GIZ in November 2010 for a regional proposal, which aims to foster marine and coastal protected areas in the CARICOM region. Furthermore, the Government of Grenada has signed a Memorandum of Understanding with GIZ for technical assistance in the area of climate change, which Grenada's SPCR proposal also makes explicit reference to.

Individual Comments

- The government of Grenada is highly committed to integrating climate change into its overall development strategy. Furthermore, the need for both institutional and technical capacity building is explicitly being recognised. This is a promising basis for successfully and sustainably implementing measures under the PPCR.
- The selection of sectors identified as being susceptible to climate change, i.e. water resources, coastal infrastructure, human health, agriculture (including forestry) and tourism, appear very reasonable. The actual investment projects and technical assistance measures predominantly focus on water resources, critical infrastructure and forestry, arguing that the other sectors are already being targeted by other donor-led activities. Judging from the justification given in the SPCR, this seems a reasonable proposition.
- Indeed, the SPCR considers other donor-supported activities to address climate change and builds on such existing initiatives (see for instance climate data activities and management of water resources). This is commendable.
- The proposed investment projects and technical assistance measures address a broad range of climate impacts (including e.g. impacts on infrastructure in poor communities, public buildings, and critical infrastructure). Also, biodiversity conservation and vulnerability reduction in the water sector are being addressed. And finally, capacity building on different levels is provided, thereby meeting one

of the key objectives of the PPCR. Overall, this a rather comprehensive and promising approach to ensure the integration of climate risk and resilience on a broad scale and to address and reach different stakeholders.

- The outline of the forest rehabilitation project (investment project 2), apart from describing the tremendous social, economical and environmental benefits, lacks some analytical clarity as to how reforestation will increase resilience to climate change, and exactly who's resilience will be increased. **We therefore recommend that the climate change focus of the forest rehabilitation project be sharpened.** Use of some economic evaluation tools for better capturing the value of the climate change related environmental services supposed to be addressed with the forest rehabilitation project might contribute to sharpening the focus.

- It is not clear whether the investment projects will be concentrated only on the main island of Grenada, or whether Carriacou and Petit Martinique, which are important for fishery and agriculture, will also be covered. **We recommend providing some clarification as to whether Petit Martinique and Carriacou will be part of the investment projects.**

- As presented, Grenada's SPCR comprehensively builds upon earlier consultative processes that took place in connection with preparing the National Climate Change Policy, the National Strategic Development Plan, the Initial National Communication, and the National Water Policy. The SPCR design process itself has also employed participatory elements, which appear to have been well designed and inclusive. However, throughout the descriptions of the investment projects and technical assistance measures, aspects of participation and consultation do not appear very prominently. **We recommend to outline in greater detail how participation and consultation, and subsequently learning from experience for broader stakeholder groups, will be ensured in the course of the investment projects.**

- It should be noted positively that one section in the SPCR is devoted to climate change impacts and gender. However, apart from brief references, discussing gender aspects is hardly given any room in the narratives of the actual investment projects and technical assistance measures. **We recommend that this be amended and gender issues be addressed in greater detail in the outlines of the investment projects and technical assistance measures, and – most importantly – through the development of indicators.**

- Though it is good that the **private sector** has been given the opportunity to contribute to the PPCR design process, participation so far appears to be limited to the hotel sector. We commend the government's stated intention that it will continue to engage through the PPCR with appropriate private sector actors. **Engagement with the agricultural sector will be of particular importance, as it is the second major source of export growth after tourism.**

- Regarding institutional arrangements, the project is implemented by a Project Coordination Unit (PCU), which is also responsible for knowledge management. While it is very positive that knowledge management is actively being addressed, **it is not clear how cooperation on the regional level will be addressed, how national activities will be aligned with and support regional activities, and how the PCU will interact and collaborate with the regional level (for instance whether and how there will be interaction with designated counterparts in the other Caribbean PPCR pilot countries).** Part 3 / Annex 1 on the regional track only gives a rather general idea how alignment could be achieved (e.g. clearing house facility). As strengthening cooperation at the regional level is one objective of the PPCR in the Caribbean, **we recommend that the SPCR clarify in somewhat more detail how regular cooperation with PPCR pilot activities in the other participating countries will be brought about.** (This has already been commented on in our earlier comments on the regional track provided in November 2011.)

SUMMARISED COMMENTS (numbered for reference)

4. REFORESTATION AND RESILIENCE - CLARIFY

... analytical clarity as to how reforestation will increase resilience to climate change, and exactly who's resilience will be increased ... some economic evaluation tools.

5. CARRIACOU AND PETIT MARTINIQUE

... clarification as to whether Petit Martinique and Carriacou will be part of the investment projects.

6. PARTICIPATION AND CONSULTATION

... outline in greater detail how participation and consultation, and subsequently learning from experience for broader stakeholder groups, will be ensured in the course of the investment projects.

7. GENDER CONSIDERATIONS

... gender issues be addressed in greater detail in the outlines of the investment projects and technical assistance measures, and – most importantly – through the development of indicators.

8. PRIVATE SECTOR ENGAGEMENT

... engagement with the agricultural sector will be of particular importance.

1.3 Comments from Japan

1) As is mentioned in Samoa's SPCR, we expect PPCR projects in Grenada will also be formulated using no/low-regret approach.

2) It is planned to conduct Forest Rehabilitation Project as Investment Project 2. However, we think there is no clear mention about it in Strategic Results Framework (P.45). It may be included in section 2 of the framework, but we would like you to ensure input, output, outcome and its measurement will be addressed as necessary in the project formulation.

SUMMARISED COMMENTS (numbered for reference)

9. NO/LOW-REGRET APPROACH – ALL SPCR PROJECTS

... assuming this reference is in accordance with World Bank definitions of this terminology¹, the approach taken in Grenada is fully consistent with recognizing the need to take some risks with actions that can accommodate plausible future impacts of climate change, known and as yet unknown. ... see below.

10. STRATEGIC RESULTS FRAMEWORK

... input, output, outcome and its measurement will be addressed as necessary in the project formulation.

(see definitions below)

¹ World Bank, Adaptation Guidance Notes - Key Words and Definitions.

<http://climatechange.worldbank.org/climatechange/content/adaptation-guidance-notes-key-words-and-definitions> accessed 10 April 2011.

Low-regret adaptation

Low-regret adaptation options are those where moderate levels of investment increase the capacity to cope with future climate risks. Typically, these involve over-specifying components in new build or refurbishment projects. For instance, installing larger diameter drains at the time of construction or refurbishment is likely to be a relatively low-cost option compared to having to increase specification at a later date due to increases in rainfall intensity.

No-regret adaptation

Adaptation options (or measures) that would be justified under all plausible future scenarios, including the absence of manmade climate change (Eales et al., 2006).

Mainstreaming adaptation

Refers to the integration of adaptation objectives, strategies, policies, measures or operations such that they became part of the national and regional development policies, processes and budgets at all levels and stages (UNDP 2005).

Note: In the Guidance Notes, mainstreaming adaptation is sometimes used interchangeably with adopting a climate risk management (CRM) approach. In reality, a slight difference exists between the two terms, as mainstreaming adaptation incorporates consideration of long-term effects of climate change, while CRM focuses on current climate variability and focuses on no-regret measures.

Adaptation

Adjustment in natural or human systems in response to actual or expected climatic stimuli or their effects. Adaptation can be carried out in response to (ex post) or in anticipation of (ex ante) changes in climatic conditions. It entails a process by which measures and behaviors to prevent, moderate, cope with and take advantage of the consequences of climate events are planned, enhanced, developed and implemented (adapted from UNDP 2005, UKCIP 2003 and IPCC 2001).

Notes: For the purpose of the Guidance Notes, the term adaptation refers only to "planned adaptation" measures. Some development practitioners include a wide range of activities under the term "adaptation" (i.e., natural resource management, improved access to markets, land tenure, etc.) that, although disconnected from climate risk issues, are considered to indirectly decrease vulnerability/increase adaptive capacity. For the purposes of the Guidance Notes, a measure is referred to as "adaptation" only when it is an explicit response to climate risk considerations.

(All definitions taken from World Bank, Adaptation Guidance Notes - Key Words and Definitions: <http://climatechange.worldbank.org/climatechange/content/adaptation-guidance-notes-key-words-and-definitions> accessed 10 April 2011).

1.4 Comments from Canada

Comments from Canada on the Endorsement by Mail of the SPCR for Grenada

Dear Patricia and Colleagues, The proposal shows a good fit between the expected climate change impacts and proposed investments. Building on a number of existing national policies and programs, there is a strong sense of synergy with other activities and initiatives within the country.

The proposal is also clearly grounded within the planned PPCR Regional Track proposal with an extensive discussion on regional linkages with a specific list of areas of common interests and synergies identified. Having the Regional Track Proposal listed as an Annex is also seen as indicative of an enhanced engagement between the country-based pilots and the regional program.

The practice should be emulated by other country based pilots within the respective regional programs. While these linkages to region are important, particularly in the Caribbean where there is a strong commonality in terms of futures climate change challenges, the Grenada proposal would benefit with

an elaboration on linkages to various regional programmes (outside of the PPCR Regional Track Program). For example, the scope of work related to disaster risk management (investment project #1) does not indicate what linkages there are if any, or will be, to the existing and formidable Caribbean Catastrophe Risk Insurance Facility (CCRIF).

The proposal states that there has been significant stakeholder consultation during its formulation. It would be helpful to illustrate what added value such engagement has brought to the process. It would also be helpful to list in an Annex, the NGOs and civil society organizations that were engaged in the development of the proposal.

Gender considerations have also been articulated, particularly during the actual development of the proposal and the choice of investment areas/sectors. However it is less clear as to how the country team aims to take forward the mainstreaming of gender within the SPCR.

The TA investment related to data enhancement is an ideal area where the team could demonstrate strong gender mainstreaming. This specific objective should clearly articulate that all efforts at enhancing and generating data for effective adaptation programming will be gender disaggregated.

The proposal speaks to a couple of areas where existing and or future IDA is planned to compliment (“co-finance”) PPCR investments. While having synergy with other investments is in line with PPCR aims, clarity on how the SPCR is not substituting planned IDA investments should be provided.

Regards, Jan Sheltinga Administratrice principale de programme--environnement/ Senior Program Manager (Environment) Direction générale des programmes multilatéraux/ Multilateral and Global Programs Branch Agence canadienne de développement international/ Canadian International Development Agency.

SUMMARISED COMMENTS (numbered for reference)

11. LINKS TO OTHER REGIONAL PROGRAMMES

... linkages to other regional programmes could be to the benefit of the Caribbean group.

12. STAKEHOLDER CONSULTATION

... stakeholder consultation, Annex the NGOs and civil society organizations.

13. MAINSTREAMING GENDER

... mainstreaming of gender within the SPCR, investment related to data enhancement.

14. EXISTING AND OR FUTURE IDA IS PLANNED

... SPCR is not substituting planned IDA investments.

CONSOLIDATED COMMENTS

- ❑ The following ten consolidated comments are drawn from the detailed comments above.
 - ❑ Numbered comments (1-10) are addressed at various locations throughout the revised SPCR document.
 - ❑ For ease of reference in the revised SPCR document, changes to the document are made in the normal manner (Track Changes). The cross-references to the ten numbered comments are made as a COMMENT (an alternative track changes tool in Word).
 - ❑ In this way, only one revised SPCR document contains all respective revisions as suggested and a reference to each specific comment below (and the government's response as indicated in Section 2. RESPONSE TO COMMENTS, also below).
1. As suggested, the Strategic Results Framework indicators and Means of Verification (MoV) are adequate at this stage. These will be elaborated and substantiated initially during project preparation and in detail following the commencement of Phase Two. As the Reforestation project has not yet been appraised, the project concept will be refined and detailed during Phase Two implementation.
 2. MEASURED AND VERIFIED BENEFITS TO GENDER DISADVANTAGED GROUPS
.... some of the benefits to gender-disadvantaged groups are assumed and details of how these will be measured and verified are not as yet provided.
 3. SPCR FUNDING NOT OVERLAPPING IDA FUNDING
.... PPCR should supplement the IDA resources ... evidence that PPCR is supplementing and not substituting PPCR for money that the World Bank would have provided anyway.
 4. REFORESTATION AND RESILIENCE - CLARIFY
... analytical clarity as to how reforestation will increase resilience to climate change, and exactly who's resilience will be increased ... some economic evaluation tools.
 5. CARRIACOU AND PETIT MARTINIQUE
... clarification as to whether Petit Martinique and Carriacou will be part of the investment projects.
 6. PARTICIPATION AND CONSULTATION
... outline in greater detail how participation and consultation, and subsequently learning from experience for broader stakeholder groups, will be ensured in the course of the investment projects.
 7. GENDER CONSIDERATIONS
... gender issues be addressed in greater detail in the outlines of the investment projects and technical assistance measures, and – most importantly – through the development of indicators.
 8. PRIVATE SECTOR ENGAGEMENT
... engagement with the agricultural sector will be of particular importance.
 9. NO/LOW-REGRET APPROACH – ALL SPCR PROJECTS
... assuming this reference is in accordance with World Bank definitions of this terminology, the approach taken in Grenada is fully consistent with recognizing the need to take some risks with actions that can accommodate plausible future impacts of climate change, known and as yet unknown.
 10. STRATEGIC RESULTS FRAMEWORK
... input, output, outcome and its measurement will be addressed as necessary in the project formulation.

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... stakeholder consultation, Annex the NGOs and civil society organizations.

13. MAINSTREAMING GENDER

... mainstreaming of gender within the SPCR, investment related to data enhancement.

14. EXISTING AND OR FUTURE IDA IS PLANNED

... SPCR is not substituting planned IDA investments.

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2.0 RESPONSE TO COMMENTS

1. As suggested, the Strategic Results Framework indicators and Means of Verification (MoV) are adequate at this stage. These will be elaborated and substantiated initially during project preparation and in detail following the commencement of Phase Two. As the Reforestation project has not yet been appraised, the project concept will be refined and detailed during Phase Two implementation.

As for all SPCRs, project details will be elaborated at the commencement of Phase Two implementation. Similarly, the project preparation phase will be critical to further specification of proposed actions, including the development of more detailed Strategic Results Framework, especially the indicators and Means of Verification as this will need to also consider linkages to the Regional PPCR development of collective indicators for the Caribbean region.

2. MEASURED AND VERIFIED BENEFITS TO GENDER DISADVANTAGED GROUPS

.... some of the benefits to gender-disadvantaged groups are assumed and details of how these will be measured and verified are not as yet provided.

Fully agreed. Details provided in text as requested for both Part One and Part Two. See Comment #7 below.

With the possible extension of the Social Survey into the early stages of Phase Two implementation the following information will provide a good baseline upon which specific vulnerabilities can be measured and monitored to gather net benefit information over the course of the programme:

- ✓ Household information in vulnerable communities
- ✓ Livelihood patterns
- ✓ Natural resource analyses
- ✓ Institutional structures
- ✓ Community/sectoral support structures
- ✓ Overall development concerns and priorities
- ✓ Hazard, vulnerability and capacity analyses
- ✓ Community coping mechanisms
- ✓ Gender, security and safety issues and concerns

The above elements have been included in priority activities to be undertaken during project implementation. It is important to note that the findings of these baseline investigations will provide guidance on both the investment projects and the technical assistance projects.

3. SPCR FUNDING NOT OVERLAPPING IDA FUNDING

.... PPCR should supplement the IDA resources ... evidence that PPCR is supplementing and not substituting PPCR for money that the World Bank would have provided anyway.

Done. A more detailed description of the relationship between the requested PPCR funding and the confirmed IDA co-financing is described in Section 7. Outline of the Strategic Programme for Climate Resilience. As noted, the Phase Two PCPR proposal suggests that a portion of the PPCR support will supplement the IDA resources². Indeed, the PPCR funding is supplementing and not substituting for the existing support under the Disaster Vulnerability and Climate Risk Reduction Project in Grenada. For clarity, a brief description of activities proposed under the DVRP are included in the Annex for reference.

The PPCR grant and concessional financing request is part of the Grenada project under the OECS Regional Disaster Vulnerability and Climate Risk Reduction Program (RDVRP; P117871), which has approved co-financing of US\$10 million for Grenada from the World Bank's International Development Association (IDA).

The objective of combined PPCR grant, concessional financing and IDA credit is to measurably reduce vulnerability to natural hazards and climate change impacts in Grenada and the Eastern Caribbean. In the process the project aims to increase resilience to climate change by supporting capacity development and tools to assess and communicate disaster and climate risk to the general public and to decision makers in different sectors, and to improve the integration of natural hazard and climate risk into physical planning processes.

The PPCR grant and concessional financing has been an integral part of the proposed DVRP in Grenada since its inception and the PPCR Sub-Committee has been kept abreast of progress of this investment proposal.

4. REFORESTATION AND RESILIENCE - CLARIFY

...analytical clarity as to how reforestation will increase resilience to climate change, and exactly who's resilience will be increased ... some economic evaluation tools.

Yes: important addition to the proposal. Grenada's forests influence our climate through physical, chemical, and biological processes that affect the hydrologic cycle and atmospheric composition. These complex forest-atmosphere interactions can dampen or amplify climate change impacts. Reforestation can mitigate climate change and warming through evaporative cooling, but the forests are under tremendous pressure from global change, not to mention the regular damage from hurricanes, logging, flooding and drought conditions. The protection offered by coastal forests and mangroves has been well documented around the world.

The Forest Rehabilitation project will provide the opportunity for innovative approaches to sustainable forest management. This will reduce deforestation and forest degradation and enhance the wellbeing of forest dependent communities, through increasing their resilience to climate change and providing new sources of income. Reforestation helps to regulate the climate in multiple ways in Grenada :

- ✓ reducing landslides;
- ✓ the roots hold the soil in place improving the water cycle;
- ✓ trees replenish groundwater and emit great quantities of water into the air through evapo-transpiration, thus increasing humidity and generating rain clouds;

² DISASTER VULNERABILITY AND CLIMATE RISK REDUCTION PROJECT IN GRENADA – Project Appraisal Document (Draft March 2011). This project forms part of a regional program (Horizontal APL) that will support up to six interested countries among Eastern Caribbean small island states (Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines) in reducing their vulnerability to natural hazards.

- ✓ removing CO₂ from the atmosphere (CO₂ is the principle greenhouse gas responsible for global warming);
- ✓ reducing local temperatures with shade and increasing humidity in the air;
- ✓ cooling the climate;
- ✓ restoring vegetation on a large scale (100 hectares).

Thus the impacts on the population will be minimal at first, however the capacity-building objectives for Forestry and National Parks staff will have a positive long term impact on future reforestation, seed propagation, and the development of reforestation best practices.

Populations (persons and fauna) affected by hurricanes in the past and forced to relocate, may possibly return once the infrastructure rehabilitation project components are implemented. The reforestation will provide valuable lessons and exemplary actions for the tourism sector (eco-tourism opportunities), biodiversity, watershed conservation and the natural environment.

Reforestation projects can also be brought into schools curricula at all levels of the education system to multiple advantage of skills, knowledge and natural processes understanding (science, geography, environment, history and other subjects). Reforestation is a key element of adaptation to climate change and there is no downside.

It is important to note that the Reforestation project has not been fully appraised as yet, therefore this analysis will be further refined during the appraisal process. In its current state, the project is at the concept stage and at the commencement of Phase Two implementation, further analysis on this project will be undertaken, including the necessary economic analyses as suggested.

5. CARRIACOU AND PETIT MARTINIQUE

... clarification as to whether Petit Martinique and Carriacou will be part of the investment projects.

With around ten percent of the population of Grenada, the islands of Carriacou and Petite Martinique and its resident population (around 10,000) will indeed be included in SPCR resilience-building actions. Specifically, the investment projects will benefit the entire population by reducing climate risk through the climate proofing of key infrastructure and increasing the capacity of the GoG to quickly rehabilitate damaged public infrastructure following an adverse natural event during the period of the project. The project would have specific benefits for people living or working in the geographical locations or public infrastructure³. Under the Infrastructure investments, the airport facility in Carriacou will be upgraded.

Hurricane Ivan dealt a devastating blow to Grenada in 2004. Carriacou and Petite Martinique suffered significantly less damage. However, in 2005, Hurricane Emily hit Carriacou, damaging hundreds of homes and infrastructure and forcing evacuation of its only hospital. Of interest is the fact that Carriacou has no rivers and residents of both islands rely on rainfall for their water Petite Martinique is 2½ miles away from Carriacou. The panorama below illustrates the landscape. Coastal tourism is a key income generator.

Carriacou and Petit Martinique will benefit from increased water storage capacity on Grenada (referenced in the Project Appraisal Document as well), and will also benefit from the lessons learned from both investments and technical assistance pilot project implementation on Grenada. Since PPCR is a pilot, it was agreed that the interventions would initially be focused on Grenada in order to ensure accessibility and success. It is envisaged that best practice captured in Grenada will be implemented in Carriacou and Petit Martinique during future up-scaling phases.

³ From the introductory information in Part Two – Investment Programme.



View of the landscape on Carriacou Island.

6. PARTICIPATION AND CONSULTATION

... outline in greater detail how participation and consultation, and subsequently learning from experience for broader stakeholder groups, will be ensured in the course of the investment projects.

Done. While it was intended that this would be further elaborated in the specific project implementation preparations, additional detail as requested has been included in the SPCR text. If feasible, the social survey will be extended to include more climate resilience information collection that will guide other aspects of project implementation. This activity should be planned (commenced) in the project preparation phase, and further elaborated during implementation start-up of Phase Two.

The additions include for example, supporting the National Disaster Management Agency (NaDMA) for the coordination and distribution of specific community awareness information on hurricane preparedness (in coastal areas in particular), drought preparedness (for inland regions), and for the development of additional curriculum materials for school grades where currently no specific classes in disasters and emergencies are offered. This again presents an opportunity for collaboration with the Regional Track activities as this need is likely shared with other CARICOM partners.

During the project preparation phase and continued into Phase Two Implementation, a range of consultations will continue. This will be necessary in order to develop and finalise the Terms of Reference for the two investments and four technical assistance projects. All key stakeholders will be consulted in order to get the best possible understanding and design for the projects.

Further details are included within the text.

7. GENDER CONSIDERATIONS

... gender issues be addressed in greater detail in the outlines of the investment projects and technical assistance measures, and – most importantly – through the development of indicators.

See also Comment #2 above. It has been recognized that by making climate and disaster risk management gender sensitive, we can build resilience and ability to cope with the many hazards facing communities in Grenada. Thankfully we can now recognize women's value and capacity in disaster preparedness and climate adaptation, and to reject the view of women as helpless victims and liabilities. Specific components of the Investment Programme therefore will need to ensure that women are provided with the necessary information and skills to reduce risk and vulnerability.

To this end, and in order to be comprehensive (including the development of specific and measurable indicators) it has been proposed that as a shared part of all four Technical assistance projects, an overall strategy be prepared to guide the inclusion of gender concerns, where appropriate, in all aspects of the SPCR implementation. This work will culminate in the small publication outlining gender dimensions in climate risk management for communities and businesses (a simpler title might be for example; "*Gender and Climate Change in Grenada*" to appeal to the general populace). For the two investment projects, the following will be required for each project:

- ✓ To include women in all stages of disaster vulnerability and climate risk reduction projects.
- ✓ To understand specific gender concerns in project planning and design measures to implement them.

- ✓ To pay attention to extremely vulnerable groups (particularly women with: low incomes, elderly, with physical disabilities, who are household heads, migrants, homeless, living alone, chronically ill, indigenous etc.). These conditions of vulnerability obviously may also apply to men and children.
- ✓ Establish inclusive processes (include all persons including those most vulnerable) for M+E, especially for women's groups representatives.

For the four technical assistance projects, gender-based vulnerabilities and capacities need to be identified and recognized, and where applicable, gender disaggregated needs identified in incorporated into the TA implementation.

8. PRIVATE SECTOR ENGAGEMENT

... engagement with the agricultural sector will be of particular importance.

Yes; the pilot programme needs to create the enabling environment to get the private sector more involved in agriculture. Agriculture contributes 5.4% of GDP to the economy⁴. Typical of small island states where tourism dominates the export income earnings, the Services industry contributed almost 80% of GDP of Grenada in 2003 figures.

In agriculture, as in other sectors of the economy, the role of the private sector is becoming ever more important. The private sector provides most of the income-generating activities and job-creation opportunities in Grenada, and is increasingly becoming the driving force for economic growth and poverty reduction. Added together, the small farmers, woman-headed households, rural micro entrepreneurs and small agricultural traders represent a large part of the private sector in Grenada.

Within the proposed Forest Rehabilitation investment project, it is suggested that the private sector could finance new approaches to climate resilient development, such as drought resistant crops, improved irrigation systems, redesign of water storage infrastructure, flood protection or hydropower and improved water management to increase crop yields and water supply for 3 the islands of Grenada.

The SPCR will provide some opportunities for example: i) policy dialogue for local private-sector development spearheaded by the Ministry of Finance; ii) investment promotions/operations to support local private-sector development; and (iii) partnerships with the private sector in order to leverage additional investments and knowledge for the agricultural sector.

The businesses that are likely to contribute to sectoral development (say for instance, tourism, agriculture and natural resources) would likely be in one of the following categories:

- ✓ Biodiversity dependent industries (fishing, agriculture and forestry), or
- ✓ Financial services (banking, insurance investment and other financial intermediaries), or
- ✓ 'Green' enterprises (organic farming, low-impact logging, renewable energy, nature-based tourism, ethical traders)

No matter how small the scale, these and other private sector organizations like the telecoms, the primary insurers etc. in Grenada, all will derive benefit from a safer, less vulnerable and more resilient population and circumstance. Climate change is everybody's business and we need to get that message out to communities and businesses alike.

For the tourism sector, the private sector is much more than simply the hotel operators. This has been addressed in the SPCR text. Indeed, tourism and biodiversity are intimately related. The prosperity of the tourism industry in Grenada is directly dependent upon healthy ecosystems. Most tourism activities are also directly based on the many services (recreation) provided by ecosystems. Tourism related activities and services, if carried out in a sustainable manner, can contribute significantly to the

⁴ CIA 2011 World Factbook, accessed 10 April 2011 (http://www.theodora.com/wfbccurrent/grenada/grenada_economy.html).

conservation agenda; tourism can create economic development opportunities as an alternative to unsustainable use of biodiversity, and most importantly, tourism can raise awareness and support the education of locals and visitors alike on the values of biodiversity. Once again, this aspect of building climate resilience is an opportunity for the Regional Track PPCR to gather, consolidate and share lessons and experiences in how the private sector has and can be closely involved in adaptation and resilience building activities. It is to our mutual benefit that these lessons are shared amongst neighbours to also then investigate the sub-regional and regional opportunities that may be possible.

During the formulation of the SPCR, the private sector was involved in a number of activities, and will continue to be consulted and involved with the further development of proposed actions. The First Joint Mission (August 2010) held discussions with relevant government line ministries, the private sector, civil society and key stakeholders. The key representatives include the Grenada Board of Tourism, Grenada Chamber of Industry and Commerce, and including NAWASA, GLENLEC.

The PPCR Technical Working Group (TWG) is comprised of line ministries, non-governmental organizations, representatives from the private sector and is chaired by the Ministry of Environment, Foreign Trade and Export Development. This group will maintain its role throughout the Phase Two implementation, and may in fact be expanded. This is also aimed at utilizing existing and creating new government and non-government, civil society and private sector partnership mechanisms to facilitate a participatory PPCR-decision making process.

It should be noted here that the signed Aide Memoire from the First Joint Mission contains a number of references to agreed opportunities to further involve private sector organizations, including those in the agriculture sector, that will be followed up and implemented in Phase Two. Further to this, all Mission TORs, Mission notes and Aide Memoires will be part of the documentation that guides the Phase Two development processes.

9. NO/LOW-REGRET APPROACH⁵ – ALL SPCR PROJECTS

...assuming this reference is in accordance with World Bank definitions of this terminology, the approach taken in Grenada is fully consistent with recognizing the need to take some risks with actions that can accommodate plausible future impacts of climate change, known and as yet unknown.

As defined in the World Bank Adaptation Guidance Notes, low-regret adaptation options are those where moderate levels of investment increase the capacity to cope with future climate risks. In Grenada, the technical assistance projects (relatively low-cost interventions) make up around five percent of the investments. Ninety-five percent of the investments in Phase Two are aimed at:

- ✓ infrastructure investments (resilience and risk reduction)
- ✓ capacity building (climate change awareness, climate risk management), and
- ✓ reforestation (bio-diversity conservation, livelihoods, resilience, watersheds).

These projects represent relatively moderate investment. Taking a comprehensive approach, including a thorough method to capturing lessons, documenting exceptional experiences and compiling that information into a format that can be shared, is a responsible no regrets approach. Despite possible risk of failure, these moderate levels of investment increase the capacity to cope with future climate risks. As such, the proposed interventions would be justified under all plausible future scenarios.

⁵ **Low-regret adaptation:** Low-regret adaptation options are those where moderate levels of investment increase the capacity to cope with future climate risks. Typically, these involve over-specifying components in new build or refurbishment projects. For instance, installing larger diameter drains at the time of construction or refurbishment is likely to be a relatively low-cost option compared to having to increase specification at a later date due to increases in rainfall intensity.

No-regret adaptation: Adaptation options (or measures) that would be justified under all plausible future scenarios, including the absence of manmade climate change (Eales et al., 2006).

10. STRATEGIC RESULTS FRAMEWORK

... input, output, outcome and its measurement will be addressed as necessary in the project formulation.

Yes. It is proposed to include detailed Results and Resources Frameworks in the development of all project components and sub-components as well as the technical assistance projects. These are vital working tools for accountability, for monitoring and evaluation, and for the development of the indicators for which activities can be measured for both performance and achievement of objectives.

In addition to the indicators proposed in the SPCR, PPCR activities will be measured by indicators captured in the DVRP in Grenada PAD Results Framework - since it is a co-financed project. These indicators will compliment SPCR-specific indicators, in which there is an agreement with Government that the results framework will be monitored and reported on over the lifespan of the project and beyond. This has been reiterated in the revised SPCR.

11. LINKS TO OTHER REGIONAL PROGRAMMES

... linkages to other regional programmes could be to the benefit of the Caribbean group.

Yes, excellent idea.

There are two different items here: i) regarding the Regional Track PPCR and ii) regarding the Caribbean Catastrophe Risk Insurance Facility (CCRIF) as it relates to Disaster Risk management.

i) In earlier discussions with other OECS countries, this issue was raised⁶ and some general agreement was made on the need to follow this up with the Regional Track programme persons. This was done at the Second Joint Mission in February and discussions continue. The following is a summary of some of the ideas discussed and the opportunities that the Grenada SPCR will follow up starting immediately as Project Preparation activities start in June, and then over the course of the Phase Two implementation.

These “commonalities” are opportunities where the national and regional activities interact and provide the best baseline for sub-regional cooperation, and indeed cooperation with the other regional programme in the Pacific. This was again discussed at the Second Joint Mission to Grenada in February with a strong agreement amongst most participants that this common ground should be developed and it serves to strengthen the practical nature of the regional programme. This again may be of interest to the Pacific Region Programme.

Caribbean and Pacific Regional Track Collaboration

In a spirit of collaboration, cooperation and support, the following points and questions are presented to assist in building on the opportunities identified to share experiences within the Caribbean region and with the other SPCR countries in the Pacific Regional Programme:

1. **Regional Programme Approach and Methodology:** It appears to be of possible value to thoroughly involve the National entities in the development of the approach and methodology proposed for the Regional PPCR. It is understood that an overarching objective of the Regional Track, to support and add value to the National activities.
2. **Commonalities amongst OECS countries and the Pacific Regional SIDS:** There may be opportunities for the Regional Track to support National efforts and to “add value” to a

⁶ In a meeting after the launch in Grenada of the PPCR in January 2011, the Permanent Secretary had assembled the other OECS PPCR countries (Saint Vincent and the Grenadines and Saint Lucia), to discuss a range of topics, including the many opportunities to share responsibilities and information that was common to all.

cooperative approach amongst certainly the OECS countries and indeed all countries in the Caribbean PPCR.

Obvious commonalities where the Regional Track could provide valuable support to the national efforts include (but not limited to) the following:

- o Climate risk analyses
- o GIS data sharing
- o Legislative reviews
- o Tourism and CC impacts
- o Consultation processes, methods
- o Private sector partnerships
- o Regional technical training

These ‘commonalities’ are largely SID commonalities that transcend location, and also represent significant opportunities for minimizing duplication of effort, shared activities and most importantly, cost savings. The value of sharing and comparing such experiences with the Pacific Regional Programme may also be of value to future PPCR work around the world.

3. **Knowledge Management:** Clearly the opportunity to collectively develop and distribute awareness building information, training packages and skills development training for climate risk management activities, should be strategically planned and developed for the collective benefit of all Caribbean countries (the initial focus being on the PPCR countries of course).

Regional knowledge management initiatives could be coordinated through the regional track, acting not just as a repository but as the initiator and manager of knowledge products throughout the region: the focus here being on management.

4. **Regional Meeting with MDBs:** It may be valuable to consider convening a Regional Meeting of all Caribbean PPCR Countries (SVG, Grenada, St. Lucia, Dominica, Haiti and Jamaica) and to include possibly representatives from the Pacific regional and national programmes, in Grenada, Belize or St. Lucia for example, under the IDB Regional Track budget. Alternatively, if the minimal cost for such an event could not be borne by the Regional Track, that each of the PPCR countries could share the costs from their own existing PPCR Phase One budgets.

The rationale for such a meeting is based on the obvious mutual benefits of sharing experiences, establishing connections, minimizing duplication and saving costs.

5. **Role of the Regional Track:** There could be an opportunity for the regional track to facilitate common actions for Phase Two of the SPCRs. It is hoped that this will be investigated in the near future to ascertain how the Regional Track can contribute to the Phase Two activities throughout the region. The same situation or opportunity may be occurring in the Pacific Regional Programme as well?
6. **Draft Proposal for the first (bi-annual) meeting of PPCR countries under the Pacific and Caribbean Pilot Programme for Climate Resilience**

WHY MEET?

The main purpose of this initial meeting/workshop would be to explore three specific opportunities for (collective) beneficial sharing and working collaboratively on:

- i) Information and knowledge management, knowledge management (and communications) strategic planning;
- ii) Shared needs: the common ground and shared objectives (commonalities) of the Strategic Programme for Climate Resilience in the Pacific and in OECS countries; and

- iii) M+E: devising monitoring and evaluation activities that minimize repetition or waste, that capture best practices and lessons learned activities, and that improves project and programme quality, efficient delivery, and practical/useful reporting methods and processes.

RATIONALE:

There are a number of needs that can be met by bringing together the nine countries that comprise the Pacific and the Caribbean PPCR, as follows (not in order of priority):

- Networking amongst countries, stakeholders and key players (decision-makers and technical persons);
- Learning from similar experiences in the region;
- Identifying opportunities for cooperation, coordination and support amongst all PPCR countries;
- Establishing the forum for exchange and communications amongst pilot countries and other PPCR countries elsewhere.

.... And it just makes good business sense to be aware of any and all best practices throughout the region over the course of the PPCR, to then make best use of those lessons, repeat and improve on them, for the benefit of all countries of the Pacific and the Caribbean.

- ii) Also a query was raised suggesting the SPCR proposal could be strengthened by elaborating linkages with regional programmes, in particular, the linkage to the Caribbean Catastrophe Risk Insurance Facility (CCRIF) as it relates to disaster risk management.

Grenada along with other OECS and CARICOM countries participate in the CCRIF. As stated in World Bank documents, CCRIF allows CARICOM governments to purchase insurance coverage to finance immediate post-disaster liquidity needs. The Facility pools the country-specific risks into one, better-diversified portfolio. This diversification results in a reduction in premium cost of approximately 50 percent relative to similar products in the commercial markets.

Catastrophe insurance is a risk sharing mechanism which when negotiated equitably, can contribute to the overall resilience of the country. Take for example the massive impact of Hurricane of Ivan 2004 in Grenada⁷. It is challenging for small countries like Grenada with limited financial capacity to absorb the usually high costs associated with the impact of natural disasters. It can therefore be argued that that building resilience of critical public infrastructure would help to reduce countries risk exposure to natural disasters and emergencies. By reducing risk exposure, countries could more strategically expand insurance coverage of assets considered more vulnerable to the impacts of disasters.

The CCRIF is therefore a valuable and important means of collectively and cost-effectively sharing risk of the adverse impacts of natural hazards in Grenada.

12. STAKEHOLDER CONSULTATION

... stakeholder consultation, Annex the NGOs and civil society organizations.

Yes, done.

⁷ See page 23 in the SPCR - Impact of tropical cyclones “The impacts counted a total of 28 people killed and the gross damages were estimated at twice the GDP of the country at the time ...”).

13. MAINSTREAMING GENDER

... mainstreaming of gender within the SPCR, investment related to data enhancement.

Yes, done. See Comment #2 and #7 above.

14. EXISTING AND OR FUTURE IDA IS PLANNED

... SPCR is not substituting planned IDA investments.

Yes, done. See Comment #3 above.

End Response to Comments

Part 3. REVISED SPCR (Word document showing all changes made)

A separate revised SPCR document in Word format with “Track Changes” highlights still in place; and

(Filename: GRENADA SPCR track change 12APR.doc)

Part 4, REVISED SPCR (pdf document)

A pdf version of the revised SPCR with accepted “track changes”.

(Filename: GRENADA SPCR FINAL 12APR.pdf)

NOTE: Parts 3. and 4. are attached as separate documents.