

Resource Mobilisation Strategy for the Nationally Determined Contribution Implementation Plan of Grenada, 2023–2030



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for the Nationally Determined
Contribution Implementation
Plan of Grenada, 2023–2030**

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List of abbreviations

5Cs	Caribbean Community Climate Change Centre
AF	Adaptation Fund
BMUB	German Ministry for the Environment, Nature Conservation, Building and Nuclear Safety
BNTF	Basic Needs Trust FundX
C&I	Commercial & Industrial
CARICOM	Caribbean Community
CCCC	Caribbean Climate Change Centre
CCFAH	Commonwealth Climate Finance Access Hub
CDB	Caribbean Development Bank
CIF	Climate Investment Funds
CO ₂ e	carbon dioxide equivalent
DFID	UK Department for International Development
ECCB	Eastern Caribbean Central Bank
EDF	European Development Fund
FOLU	Forestry and Land Use
FONERWA	Rwanda Green Fund
GCF	Green Climate Fund
GDP	gross domestic product
GEF	Global Environment Facility
GGCRS	Green Growth and Climate-Resilient Strategy
GHG	greenhouse gas
Grenlec	Grenada Electricity Services Ltd
GSDTF	Grenada Sustainable Development Trust Fund
GSWMA	Grenada Solid Waste Management Authority
IADB	Inter-American Development Bank
ICT	information and communication technology
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IT	information technology
KPI	key performance indicator

LGIF	Lebanon Green Investment Facility
MOI	Ministry of Infrastructure, Physical Development, Utilities, Civil Aviation and Transportation
MoU	memorandum of understanding
MRV	measurement, reporting and verification
MSMEs	micro, small and medium enterprises
MTAP	Medium-Term Action Plan
NaDMA	National Disaster Management Agency
NAP	National Adaptation Plan
NAWASA	National Water and Sewerage Authority
NCAP	National Cooling Action Plan
NCCC	National Climate Change Committee
NDA	National Designated Authority
NDC	Nationally Determined Contribution
ND-GAIN	Notre Dame Global Adaptation Initiative
NFV	national financing vehicle
NGEF	National Green Energy Fund
NSDP	National Sustainable Development Plan
NTF	National Transformation Fund
OECS	Organisation of Eastern Caribbean States
PACC	Partnership to Address the Climate Crisis
PAF	Partnership Action Fund
PAHO	Pan American Health Organization
PPP	public–private partnership
PURC	Public Utilities Regulatory Commission
RE	renewable energy
RMS	Resource Mobilisation Strategy
SCF	Strategic Climate Fund
SDG	Sustainable Development Goal
SIDS	small island developing state
SIRF Fund	Sustainable Island Resource Framework Fund
TNC	The Nature Conservancy
UAE	United Arab Emirates
UK	United Kingdom

UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNICEF	United Nations Children's Fund
US	United States

Executive summary

Access to international financial resources is crucial for developing countries and small island developing states (SIDS) to achieve their Nationally Determined Contributions (NDCs). For SIDS such as Grenada, ability to deliver on climate targets depends heavily on ability to access global climate financing. Grenada, in its Second NDC, submitted on 30 November 2020, established a target to reduce emissions by 40 per cent from 2010 levels. There is a need now to develop a strategy to streamline funding movement, as the proposed climate mitigation and adaptation target is conditional on external financing.

Grenada traditionally depends on concessional loans and grants to meet its climate finance targets and it is becoming important to tap into other financing instruments. The total cost of implementing mitigation and adaptation actions in the Second NDC and the 2017–2021 National Adaptation Plan (NAP), for the period 2021–2030, is estimated to be in the range of US\$0.98–1.05 billion.¹ Grenada will require a wide range of international support to complement domestic efforts, including finance, investment and capacity-building, so it can fully realise its intended mitigation and adaptation targets.

Effective implementation of Grenada's Second NDC and NAP will require the allocation of additional resources and strategic realignment of the government's policy actions. Mapping climate finance and developing a national-level strategy need to take centre stage. For this, it is necessary to identify current climate financing in Grenada, including understanding existing investments and where gaps remain. This will enable the pinpointing of potential opportunities to facilitate the scaling-up of climate finance. Grenada is aware of the need to strengthen existing institutional capacity to cater to climate change adaptation and mitigation planning. This includes reestablishment of the National Climate Change Committee (NCCC) for enhanced co-ordination; identifying climate change focal points in respective line ministries; selection of a National Designated Authority (NDA) for the Green Climate Fund (GCF); and organising workshops and training programmes on climate change risk analysis and sector-specific climate change themes.

Considering that the investment needed in low-carbon and climate-resilient growth in Grenada is substantial, a forward-looking Resource Mobilisation Strategy (RMS) guiding the investment and financing approach for Grenada to achieve its target is of paramount importance. This report aims to fill this need.

A range of actions are needed to implement the key process of finance mobilisation. The following actions form the key components of Grenada's RMS:

- **Creating a national financing vehicle (NFV):** The Government of Grenada will set up an NFV to receive all relevant climate funds and redistribute these towards national projects.
- **Putting in place an improved public–private partnership framework and project pipeline:** Such a framework will help in mobilising private sector investment and optimising the limited institutional/organisational resources of the government by leveraging private sector involvement in execution and maintenance of the system.

¹ Government of Grenada (2020, November 30) 'Grenada Second Nationally Determined Contribution'. <https://unfccc.int/sites/default/files/NDC/2022-06/GrenadaSecondNDC2020%20-%2001-12-20.pdf>

- **Deploying innovative financing instruments:** This will take place in a phased manner, such as through targeting grants and concessional loans in the initial phase and then other instruments such as long-term loans, equity, green bonds, debt for climate swaps, blue bonds, etc. as the market matures in the second phase.
- **Building capacity:** The institutional capacity of the government to co-ordinate climate finance in Grenada and to improve finance strategies and the project pipeline will be enhanced.
- **Leveraging regional co-operation and aggregation with financing institutions:** Partnership will occur through, for example, joint strategies, plans and programmes with the Organisation of Eastern Caribbean States, the Caribbean Community and the Caribbean Climate Change Centre. The Government of Grenada may also continue to make efforts to improve its visibility and build alliances with other donors, multilateral funds, foundations, etc.

This RMS has been prepared through consultation with various stakeholders, including government stakeholders, financing institutions, the private sector, think-tanks and development partners, and taking into account Grenada's current economic, regulatory and institutional context. It was discussed at length in two workshops with key stakeholders, including government representatives, financing institutions and multilateral agencies on 7 December 2022, and civil society organisations on 17 January 2023. The RMS also draws on various learnings from mobilisation strategies developed for other similar countries.

Fewer than 10 years remain to reach the targets of this RMS. As such, an implementation plan for related activities is proposed, to guide and support achievement of short- and long-term measures and the monitoring and tracking of progress.

The short-term action plan aims to create a foundation and platform for action, taking into consideration the volume of finance to be mobilised. The activities include improving policy and legislation frameworks; establishing a focal point responsible for co-ordination among various agencies and departments; rolling out fiscal incentives; prioritising project preparatory work; pursuing funding for project preparation; and developing an enabling environment for private sector participation and investment.

The long-term action plan, with targets till 2030, focuses entirely on accessing and channelling long-term affordable climate finance from international climate funds to priority mitigation projects. This involves using an NFV to achieve the ultimate financing targets. The long-term action plan builds on the activities in the short-term action plan.

Further, the RMS recognises the dynamic nature of climate finance, and proposes revisions to the strategy at least once every five years. While the Government of Grenada has done a commendable job in raising climate finance so far, the RMS, along with its implementation components, is expected to guide the country further towards the path of mobilisation of up to US\$1 billion to aid in the implementation of the NDC and the NAP.

1. Introduction

1.1 Context

Grenada is a small island developing state (SIDS) in the south-eastern Caribbean. It has a ridge of mountains that run from north to south, with steep valleys. It also features large areas of tropical rainforest. Being an island nation, Grenada is recognised as a country that is highly vulnerable to the impacts of climate change. Warmer temperatures, increased drought and flood risks have been forecast as potential climate change impacts.

Grenada is committed to a low-carbon climate-resilient development pathway, which would have significant economic benefits along with reducing the country's carbon footprint. Historically, Grenada has been highly dependent on the import of fossil fuels to meet its energy and transportation needs. This places a huge burden on the country's foreign exchange earnings. The high cost of oil imports in particular has a cascading effect on the economy because it results in a relatively high price for electricity, goods and services in the country. Hence, in recent years, efforts have been made to introduce renewable energy (RE) technologies into the energy mix. As of 2021, 2 per cent of electricity generation in Grenada was from RE sources.²

Under the United Nations Framework Convention on Climate Change (UNFCCC), countries commit to take actions to reduce greenhouse gas (GHG) emissions and adapt to the impacts of climate change. Each country is required to present its national efforts and plans to fulfil the Paris Agreement's objectives, in the form of Nationally Determined Contributions (NDCs). Despite its negligible contribution to global GHG emissions (less than 0.0005 per cent in 2010),³ Grenada aims to cut GHG emissions primarily by taking action in sectors such as energy, transport, waste, forestry and cooling. Grenada has put in place ambitious policies and measures to pursue a low-carbon and climate-resilient development pathway to realise

its Vision 2030, its Second NDC (submitted on 30 November 2020) and its 2017–2021 National Adaptation Plan (NAP). For developing countries such as Grenada, the ability to deliver on climate commitments under the Paris Agreement hinges substantially on the ability to access climate finance.

With a continuing focus on climate action planning encompassing emission reduction and climate change adaptation, the Government of Grenada submitted its Second NDC to the UNFCCC in November 2020. This confirms Grenada's previously indicative target of reducing its GHG by 40 percent emissions by 2030 from 2010 levels.

Grenada, as a party to the Paris Agreement, has committed to achieving the ambitious target of limiting the increase in global average temperature to 1.5°C. The First NDC of Grenada was officially submitted by Grenada in April 2016 with the goals of strategically transitioning towards low-carbon development and strengthening resilience to the impacts of climate change. The government submitted its Second NDC in November 2020. The targets of this reaffirm Grenada's previously indicative target of reducing its GHG emissions by 40 per cent by 2030 from 2010 levels.

Grenada's economic growth is vulnerable to climate change. Communities located in low-lying coastal areas and on high-risk sloping terrain remain vulnerable to climate risks and the associated debilitating socio-economic impacts.⁴ Over the past decade, Grenada has been experiencing successive impacts of climate change, resulting in significant socio-economic losses and loss of gross domestic product (GDP), which impedes development efforts. The situation is exacerbated by the country's dependence on imported fossil fuels. However, identifying and accessing the right sources of finance is not always straightforward, and countries face several challenges in unlocking financing. The country's critical infrastructure, such as bridges, roads,

² Grenlec (2022). *Annual Report 2021*. <https://grenlec.com/wp-content/uploads/2022/09/Grenlec-2021-Annual-Report-1.pdf>

³ Government of Grenada (2020, November 30). 'Grenada Second Nationally Determined Contribution'. <https://unfccc.int/sites/default/files/NDC/2022-06/GrenadaSecondNDC2020%20-%20001-12-20.pdf>

⁴ Government of Grenada (2017). *Grenada, Carriacou & Petite Martinique: Second National Communication to the United Nations Framework Convention on Climate Change*. https://www4.unfccc.int/sites/NAPC/Documents/Parties/Grenada_National%20Adaptation%20Plan_%202017-2021.pdf

drainage and public buildings, may find it difficult to cope with extreme climate-induced weather impacts and variability. To address these climate change challenges, Grenada requires substantial investment towards building climate resilience and accomplishing its NDC targets.

1.2 Country profile

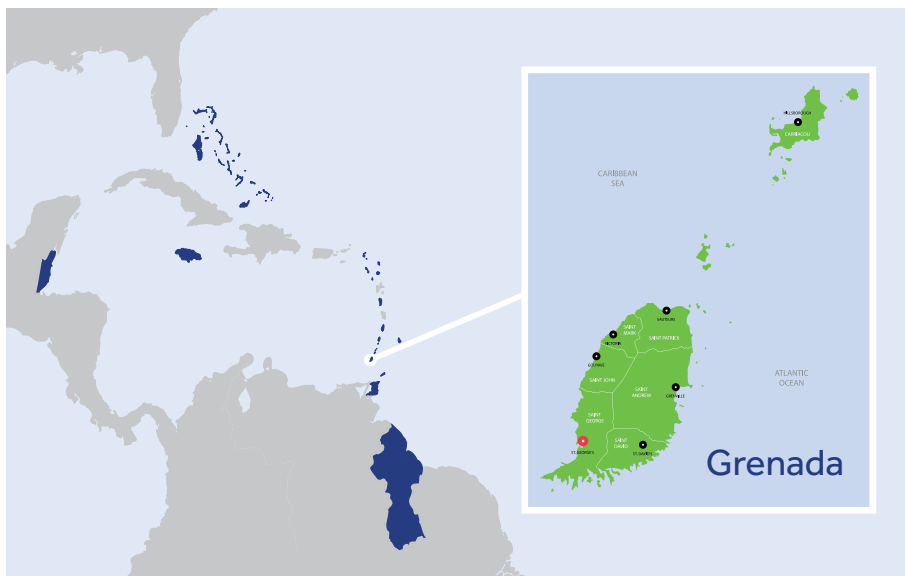
The sovereign state of Grenada comprises three islands: Grenada, Carriacou and Petite Martinique (Figure 1.1). Grenada is the southernmost of the Windward Islands, located at 12.07° North latitude and 61.40° West longitude, between St Vincent and the Grenadines to the north and Trinidad and Tobago to the south.⁵ The total area is 344 km². Mainland Grenada is divided into six administrative parishes: Saint Patrick, Saint Andrew, Saint David, Saint George, Saint John and Saint Mark.⁶ Grenada has a population of 124,610 (2021).⁷

The main island of Grenada holds 95 per cent of the country's population. Table 1.1 summarises some of the key statistics of the country. Grenada's GDP per capita at current market prices is US\$9,011 (2021).⁸ This results in Grenada being classified as an upper-middle-income country. The employment rate in Grenada is 72 per cent (2020). The country's sovereign credit rating is BB-, according to Standard & Poor's.⁹

1.3 Emission scenario

Although the country makes a negligible contribution to global GHG emissions (less than 0.02 per cent in 2018), Grenada aims to further cut GHG emissions by taking corrective climate adaptation and mitigation actions. The energy sector (inclusive of transport) is the largest contributor of GHG emissions in the country. Table 1.2 shows the rise in GHG emissions in the country in various sectors between 2000 and 2014.

Figure 1.1 Grenada's location and map



Source: Commonwealth Secretariat.

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- 5 Government of Grenada (no date). 'Fast Facts' [webpage]. <https://www.gov.gd/index.php/fast-facts>
 - 6 Food and Agriculture Organization of the United Nations (2015). 'Country profile – Grenada' [webpage]. <https://www.fao.org/3/ca0434en/CA0434EN.pdf>
 - 7 World Bank (no date). 'Population, total – Grenada'. <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=GD> (accessed 10 January 2022).
 - 8 World Bank (no date). 'GDP per capita (current U' S\$) – Grenada'. <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=GD> (accessed 17 March 2023).
 - 9 [theglobaleconomy.com](https://www.theglobaleconomy.com/Grenada/credit_rating/) (no date). 'Grenada: Sovereign credit ratings' [webpage]. https://www.theglobaleconomy.com/Grenada/credit_rating/

Table 1.1 Grenada: Key statistics

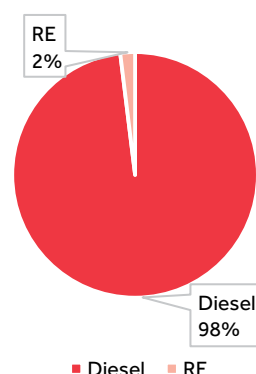
Area	344km ²
Population (2021)	108,132
Per-capita GDP (2021)	US\$9,011
Electricity peak demand (2021)	33.7MW
Renewable energy share (2021)	2%
Access to electricity	93.6%

Sources: Government of Grenada, World Bank, and Grenlec¹⁰

In 2014, the energy subsector (including domestic transport) accounted for 70.22 per cent of emissions when expressed as carbon dioxide equivalent (CO₂e); the industrial processes sector for 14.34 per cent; the waste sector for 10.94 per cent; and the agriculture sector for 4.49 per cent.

1.4 Electricity scenario

Grenada currently has 2 per cent RE in its electricity generation mix. Most of Grenada's energy requirements (98 per cent) are met through the consumption of oil, as [Figure 1.2](#) shows.¹² This trend has been similar over the past several years, as may be inferred from the past history illustrated in [Figure 1.3](#). However, Grenada has a National Energy Policy that aims to transform this dependence on oil to the utilisation of RE resources to meet domestic needs.

Figure 1.2 Electricity generation mix (2021)

Source: Grenlec (2022). *Annual Report 2021*.¹³

Grenada Electricity Services Ltd (Grenlec) is the sole licensed provider of electricity in Grenada. It has a total installed capacity of 52.1 MW and peak demand of 33.7 MW (2021). Grenlec generates electricity mainly from three locations in Grenada, Carriacou and Petite Martinique. A 33kV transmission network and two substations at Queen's Park and Grand Anse ensure reliability in the south of Grenada.¹⁴ Grenada has a target of meeting 100 per cent electricity generation from RE by 2030. As of 2021, RE-based electricity generation capacity stood at 3.6 MW.

[Table 1.3](#) presents some details on the power sector in Grenada.

Table 1.2 Grenada's GHG emissions by sector in (Gg CO₂e)

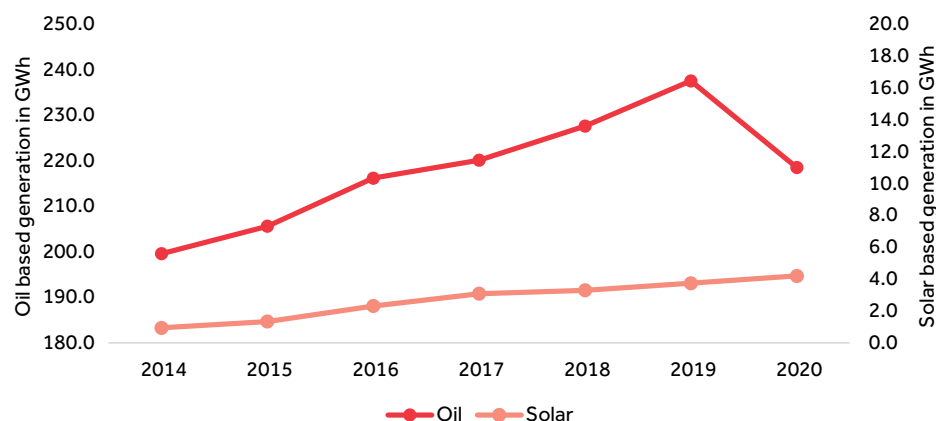
Sector	2000 levels	2014 levels	% change
Energy (including domestic transport)	212.85	285.5	34.2
Industrial processes	1.4	58.3	4000
Agriculture, forestry and other land use	16.6	18.3	9.2
Waste	41.2	44.5	8

Source: Government of Grenada (2017). *Grenada, Carriacou & Petite Martinique: Second National Communication to the United Nations Framework Convention on Climate Change*.¹¹

10 Government of Grenada (no date). 'Fast Facts' [webpage]. <https://www.gov.gd/index.php/fast-facts>
 World Bank (no date). 'GDP per capita (current US\$) – Grenada'. <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=GD>
 World Bank (no date). 'Access to electricity (% of population) – Grenada'. <https://data.worldbank.org/indicator/EG.ELC.ACCS.ZS?locations=GD>
 Grenlec (2022). *Annual Report 2021*. <https://grenlec.com/wp-content/uploads/2022/09/Grenlec-2021-Annual-Report-1.pdf>

11 https://unfccc.int/sites/default/files/resource/Grenada%20Second%20National%20Communication_Final%20%281%29%20%281%29.pdf
 12 Grenlec (2022). *Annual Report 2021*. <https://grenlec.com/wp-content/uploads/2022/09/Grenlec-2021-Annual-Report-1.pdf>
 13 <https://grenlec.com/wp-content/uploads/2022/09/Grenlec-2021-Annual-Report-1.pdf>
 14 Grenlec (2019). *Annual Report 2018*. <https://grenlec.com/wp-content/uploads/2021/01/2018GrenlecAnnualReport-1.pdf>

Figure 1.3 Energy generation mix trend (GWh)



Source: Grenlec (2022). *Annual Report 2021*.¹⁴

1.5 Grenada's climate vulnerabilities

Grenada lies in the path of the Northeast Trade Winds and, although located south of the hurricane belt, is vulnerable to tropical storms, hurricanes and storm surges. The hurricane season runs from June to November.¹⁵ This leads to rises in sea levels, which affect coastal areas, and to an overall decrease in rainfall combined with an increase in heavy precipitation events. All of these have potentially detrimental consequences for

agriculture, fisheries and tourism, as well as for human health and the economy of Grenada as a whole. According to the Notre Dame Global Adaptation Initiative (ND-GAIN) index (2020), Grenada has a climate vulnerability index ranking of 62 (out of 182 countries).¹⁸

Some recent extreme weather events that have had detrimental effects on Grenada are as follows:

- **Hurricane Ivan, 2004:** On 6 September 2004, Hurricane Ivan hit Grenada, causing unprecedented, catastrophic destruction.

Table 1.3 Glimpse of the power sector in Grenada

Particulars	Unit	Stats
Electricity consumption	GWh (2021)	206.9
Gross energy generation	GWh (2021)	221.6
Access to electricity	(%) (2020)	93.6
Access to clean cooking	(%) (2020)	89
Peak demand	(MW) (2021)	33.7
Utility average power purchase cost	(US\$/kWh)	0.164
Utility average cost of supply	(US\$/kWh)	0.270
Utility average billing rate	(US\$/kWh)	0.297

Source: Grenlec (2022). *Annual Report 2021*.¹⁷

¹⁵ As in previous footnote 13.

¹⁶ Government of Grenada (2000). *Grenada's Initial Communication to the UNFCCC*. <https://climatefinance.gov.gd/embedded-pdf/grenada-initial-communication-to-the-unfccc/>

¹⁷ As in previous footnote.

¹⁸ Notre Dame Global Adaptation Initiative (no date). 'Rankings'. <https://gain.nd.edu/our-work/country-index/rankings/> (accessed 23 March 2023).

The hurricane resulted in damage to 91 per cent of forest areas and watersheds. It affected about 69 per cent of health sector infrastructure. Overall, about 90 per cent of all buildings suffered structural damage. The total damage resulting from the impact of Hurricane Ivan was estimated at around US\$900 million, in excess of 200 per cent of Grenada's 2004 GDP. While the most severe direct damage to assets and stocks at the time of the disaster was felt in the housing sector, indirect damage, such as losses in income and production flows following the disaster, was significant in the tourism, energy, telecommunications and agriculture sectors.¹⁹

Flooding of the town of Gouyave, 2011: The town of Gouyave, on the west coast of Grenada, at the mouth of the Little River, has a history of

flooding during periods of heavy rainfall. It faced one of its worst flooding events in 2011. Grenada was affected by torrential rainfall over 10–13 April 2011, and severe impacts were observed in Gouyave, where approximately 304.8 mm of rainfall was measured. This resulted in flooding and landslides, which severely damaged roads and bridges and eroded river channel embankments. Road infrastructure suffered damage through undermining of retaining structures, drains and culverts. Residential areas located within the flood plain adjacent to the riverbanks were damaged by the force of the flood waters. As a response, the government agreed on a loan with the Caribbean Development Bank (CDB) of nearly US\$3.2 million to restore and upgrade infrastructure, build a community centre, implement an operational early warning system and identify measures for reduction of flood risk within the Gouyave watershed.²⁰

19 Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH [GIZ] (2017). *Climate Change Realities in Small Island Developing States in the Caribbean*. <https://www.adaptationcommunity.net/wp-content/uploads/2017/05/Grenada-Study.pdf>

20 Ibid.

2. Grenada's climate policy and Nationally Determined Contribution targets

2.1 Grenada's Second Nationally Determined Contribution

Reducing GHG emissions by 40 per cent by 2030, from 2010 levels, conditional on external funding

The Paris Agreement requests each country to outline and communicate their post-2020 climate actions, known as their NDCs. Grenada, like many other SIDS, has ambitious targets in addressing the climate change crisis as part of its NDC plan. Grenada submitted its first NDC in September 2015, which, in addition to complementing its National Climate Policy and NAP, served as an outline of the climate action plan on mitigation and adaptation.

A revised NDC was submitted on 30 November 2020. The emissions reductions in this new NDC are a confirmation of the indicative ambitious 2030 NDC target of 40 per cent below 2010 levels submitted in the 2016 NDC, which is conditional on external funding. As per the Second NDC, Grenada's identified NDC mitigation measures are expected to cost between US\$984.9 million and \$1,054.5 million by 2030.²¹

The five focus sectors for the NDC target are energy, transport, waste, cooling and forestry. Within these sectors are more than 20 measures to be taken to achieve the goal of reducing GHGs by 40 per cent by 2030.

Grenada's Second NDC planning process was led by the National Climate Change Committee (NCCC) and involved various stakeholder consultations to develop strategies and initiatives to update the NDC. The final NDC draft was subjected to a

series of consultations with all key stakeholders and subsequently submitted to Cabinet for endorsement and authorisation for submission to the UNFCCC on 30 November 2020. The adaptation component of the NDC Implementation Plan is guided by the NAP.

2.2 Grenada's NDC Implementation Plan

In its Second NDC, the Government of Grenada has committed to reducing GHG emissions by 40 per cent by 2030, conditional on technical support, securing adequate finances and enhanced capacity. Grenada's NDC Implementation Plan outlines how the country plans to implement its climate commitments and the support that will be required to do so.

The Implementation Plan was developed through engagement with the NDC Partnership. Grenada developed the initial plan, known as the Partnership Plan, through a series of draft reviews and sectoral validation workshops. In July 2019, the Partnership Plan was approved by the Ministry of Climate Resilience, The Environment and Renewable Energy (Ministry of Climate Resilience) and reviewed by the NCCC. After Grenada submitted its Second NDC on 30 November 2020, an update of the Partnership Plan was carried out, which included support from Climate Analytics. At this stage, the plan was renamed the NDC Implementation Plan.

The NDC Implementation Plan²² identifies a list of outcomes, with relevant outputs, key performance indicators (KPIs), baselines and targets defined for each of those outcomes. For some of the outputs, the estimated costs, relevant partner agencies and type of required support are also identified. The

21 Government of Grenada (2017). *Grenada, Carriacou & Petite Martinique: Second National Communication to the United Nations Framework Convention on Climate Change*. https://unfccc.int/sites/default/files/resource/Grenada%20Second%20National%20Communication_Final%20%281%29%20%281%29.pdf

22 NDC Partnership (no date), Grenada>Country Documents. <https://ndcpartnership.org/countries-map/country?iso=GRD>

outcomes targeted by the NDC Implementation Plan, and the relevant outputs for those outcomes, are listed below.

Outcome 1: Sustainable, affordable and accessible energy sources and services provided that are clean and efficient, secure national development, improve the quality of life of all citizens and reduce GHG emissions.

- 1.1 National Energy Policy updated to include more RE and energy efficiency, considering the Integrated Resource Plan, and implemented.
- 1.2 RE and energy efficiency legislation developed and efficiency standards in government buildings, streets and homes implemented, considering the Integrated Resource Plan.
- 1.3 Policy and legal frameworks for attracting private sector investments to scale renewable energy strengthened.
- 1.4 Sectoral RE initiatives implemented (geothermal, solar, wind, waste to energy and ocean thermal energy conversion).
- 1.5 Energy efficiency initiatives implemented.
- 1.6 Financial incentives for low-carbon energy and energy efficiency considered and implemented as appropriate, including moderately scaled carbon tax and feebates.
- 1.7 Comprehensive data collection and management system established for RE and energy efficiency.
- 1.8 National institutions strengthened and effective in energy management and audit.

Outcome 2: Greater use of sustainable and low-emission modes of transportation achieved, including through a change of attitudes and behaviour and investments in climate-resilient infrastructure.

- 2.1 Fuel Efficiency Standards established and enforced.
- 2.2 Sustainable & Climate-Resilient Transportation Policy with Action and Investment Plan to transition towards an optimal set of sustainable

transport options (including public/shared transport and decentralisation) and respective climate-resilient infrastructure.

- 2.3 Investments in identified sustainable transport options and infrastructure that respond to national resilience needs.
- 2.4 Inventory and mapping of public assets and infrastructure developed based on climate and disaster risk, and actions taken to ensure new roads and urban expansion are climate-resilient.
- 2.5 Vehicle feebate with implicit CO₂ price (rising over time) introduced.
- 2.6 Comprehensive data collection and management system established for tracking GHG emissions and user data for the transport sector.
- 2.7 Strengthened human and institutional capacity for implementation.
- 2.8 Public awareness raising campaign designed and carried out for sustainable modes of transportation.
- 2.9 Shared understanding of feasible and sustainable SIDS transport options.

Outcome 3: Solid waste and associated emissions reduced.

- 3.1 Waste Management Policy updated to include considerations of climate change.
- 3.2 Five-year Waste Management Strategy reviewed and under implementation.
- 3.3 Legislation and regulation reviewed and amended as appropriate.
- 3.4 Waste characterisation study including calorific factor, moisture content and seasonal variation.
- 3.5 Waste management equipment fleet updated with more sustainable alternatives.
- 3.6 Close non-sanitary landfills and new landfill location study completed, new capacity identified and invested in.
- 3.7 Waste converted to energy.

- 3.8 Sewage treatment system invested in and enhanced.
- 3.9 Comprehensive data collection and management system established for waste.
- 3.10 Waste reduction strategies scaled up, including through public awareness.
- 3.11 Alternatives to final disposal identified, including assessment of the potential of shipping to recycling markets.

Outcome 4: Ecosystems and forest resources managed to enhance Grenada’s climate change resilience and conserve species and genetic diversity.

- 4.1 Protected Area Legislation reviewed and updated and climate change considerations incorporated.
- 4.2 Forest Regeneration, and Afforestation Strategies and Programme developed and implemented to create sustainable use of natural resources.
- 4.3 Nationwide Agroforestry Programme developed and implemented.
- 4.4 Nationwide Vegetation Management Plan developed and implemented.
- 4.5 Protected Areas Programme expanded and effective management infrastructure for protected areas established.
- 4.6 Comprehensive data management system developed for forestry and protected areas.
- 4.7 National capacity strengthened in the area of afforestation, reforestation and protected areas.
- 4.8 Knowledge exchange on afforestation, reforestation and protected areas.

Outcome 5: A strategic and co-ordinating framework for building climate resilience and strengthening adaptation interventions in Grenada provided and implemented.

- 5.1 Integrated implementation of the NAP and the NDC.
- 5.2 Enhanced institutional arrangements, inter-sectoral co-ordination and participation on climate change.

- 5.3 Disaster Resilience Strategy and Disaster Risk Management Legislation developed and implemented, including financing strategy, and enhancement of National Disaster Management Agency and National Transformation Fund.
- 5.4 Development of a climate-resilient water sector.
- 5.5 Climate-resilient agriculture and food security.
- 5.6 Enhanced efforts to leverage climate change adaptation financing.
- 5.7 Enhancement of institutional, professional and technical capacity for integrated coastal zone management.
- 5.8 Enhancement of resilience of infrastructure, physical planning and development.

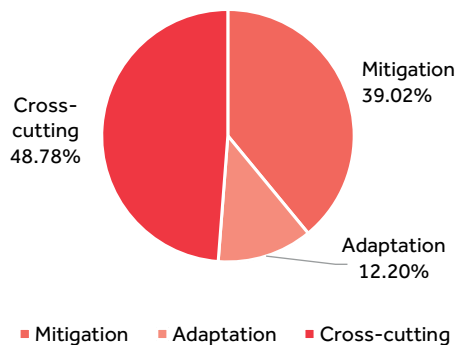
Outcome 6: National capacity related to NDC implementation and financing strengthened and opportunities leveraged for regional collaboration, including on data.

- 6.1 NDC publicised through whole-of-society engagement.
- 6.2 Public Sector Investment Plan, government budget and Medium-Term Fiscal Framework aligned with the NDC and the Sustainable Development Plan 2035.
- 6.3 Direct Access Entities in Grenada accredited and operational.
- 6.4 Centralised climate change and GHG data collection and management system established and maintained.
- 6.5 Strengthened technical capacity on climate change in the Ministry of Climate Resilience, the Ministry of Finance and sectoral ministries, including co-ordination mechanism to mobilise climate finance and enhance project implementation capacity.

Figures 2.1 and 2.2 provide a snapshot of the focus areas and key sectors of Grenada’s NDC Implementation Plan.

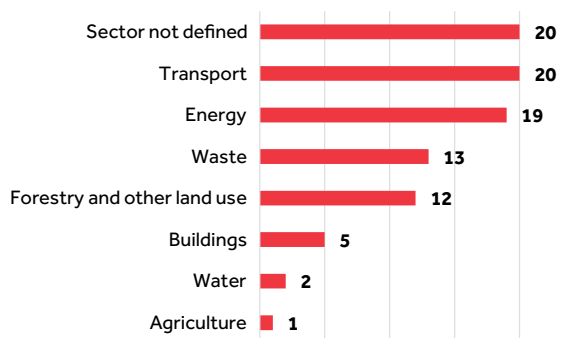
A Sectoral Investment Plan takes forward the NDC Implementation Plan to the level of project areas, going beyond the output-activity framework of the Implementation Plan. The project areas are

Figure 2.1 Focus areas of Grenada's NDC Implementation Plan



Source: NDC Partnership (2022, March). *Grenada Partnership Plan Narrative*.²³

Figure 2.2 Number of projects per key sector of Grenada's NDC Implementation Plan



Source: NDC Partnership (2022, March). *Grenada Partnership Plan Narrative*.²⁴

identified separately for the key sectors - energy, transport, forest and waste. Annex 4 presents the sector-wise breakup and key project areas identified in the Implementation Plan.

2.3 Grenada's National Adaptation Plan 2017–2021

Grenada's NAP is a five-year plan, for 2017–2021, which was published on November 2017 with different multi-sectoral programmes of action.²⁵ It is an umbrella document, based mainly on

prioritised climate change adaptation activities taken from existing sectoral and local area plans that had already been developed through larger consultative processes.

In order to enhance climate resilience in Grenada, the NAP serves as a strategic, co-ordinating framework, recognising the need to create the right conditions for programming priorities as well as climate change adaptation. The NAP will play a significant role as a vehicle for strategic investments in Grenada's creation of a climate-resilient society and will be one of Grenada's major vehicles for obtaining foreign climate finance.

The NAP identifies 12 programmes of action, listed in Table 2.1, and related activities towards climate change adaptation. The main aim is to take a medium- and long-term approach to reducing vulnerability to the adverse effects of climate change and to facilitate the integration of climate change adaptation, in a coherent manner, into relevant new and existing policies, programmes and activities. The NAP will also be the overall political document to co-ordinate and guide external financing and donor contributions on adaptation to climate change. The NCCC will be the forum to validate and access

Table 2.1 NAP programmes of action

1	Institutional arrangements
2	Integration
3	Water availability
4	Food security
5	Ecosystem resilience
6	Integrated coastal zone management
7	Resilient infrastructure and sustainable land management
8	Disaster risk reduction and disease prevention
9	Climate and sea-level rise data and participation
10	Sustained public education and participation
11	Climate financing
12	Monitoring and evaluation

Source: Government of Grenada (2017). *National Climate Change Adaptation Plan (NAP)*.²⁶

²³ <https://ndcpartnership.org/countries-map/country?iso=GRD> (Country Documents > Partnership Plan > Narrative)

²⁴ As in previous footnote.

²⁵ Government of Grenada (2017). *National Climate Change Adaptation Plan (NAP) For Grenada, Carriacou and Petite Martinique*. https://www4.unfccc.int/sites/NAPC/Documents/Parties/Grenada_National%20Adaptation%20Plan_%202017-2021.pdf

²⁶ https://www4.unfccc.int/sites/NAPC/Documents/Parties/Grenada_National%20Adaptation%20Plan_%202017-2021.pdf

international contributions that link to climate adaptation. Currently, the NAP is being updated.

2.4 Policy framework related to climate and environment

2.4.1 National Sustainable Development Plan 2020–2035

The National Sustainable Development Plan (NSDP) is Grenada’s overarching strategic high-level planning document that anchors its development agenda over the period 2020–2035.²⁷ It puts in place a systematic and comprehensive framework to guide Grenada’s strategic priorities for balanced and inclusive development over the medium term and simultaneously lays a solid foundation for Grenada’s transformation over the long term. NSDP has envisaged a vision of Grenada becoming a ‘resilient and prosperous nation, with a conscious and caring citizenry, promoting human dignity, and realising its full potential through sustainable economic, social, and environmental progress for all’ by 2035.

Environmental Sustainability and Security is one of the three goals under the NSDP, as presented in Table 2.2. The goal is expected to assist in the following outcomes:

- Modern Climate- and Disaster-Resilient Infrastructure;

Table 2.2 Environmental sustainability and security

Goal	Objective
Goal 1	High human and social development: Putting people at the centre of sustainable development and transformation
Goal 2	Vibrant, dynamic, competitive economy with supporting climate-and-disaster resilient infrastructure
Goal 3	Environmental sustainability and security

Source: Government of Grenada (2019). *National Sustainable Development Plan 2020–2035*.²⁸

27 Government of Grenada (2019). ‘National Sustainable Development Plan 2020–2035’: <https://observatorioplanificacion.cepal.org/sites/default/files/plan/files/GRANADA-NSDP20202035.pdf>

28 <https://observatorioplanificacion.cepal.org/sites/default/files/plan/files/GRANADA-NSDP20202035.pdf>

- Climate Resilience and Hazard Risk Reduction; and
- Energy Security and Efficiency.

2.4.2 Medium-Term Action Plan 2022–2024

The MTAPs operationalise the high-level strategic actions proposed in the NSDP through prioritised concrete interventions (projects and programmes) that are appropriately sequenced, with a view to achieving the desired national goals and outcomes.²⁹

The MTAP for 2022–2024 focuses on the following activities related to climate change adaptation and resilience:

- Build improved sustainable and resilient infrastructure, public utilities and transport;
- Mainstream climate change adaptation and mitigation practices;
- Strengthen disaster and hazard risk management; and
- Improve energy efficiency and energy mix.

2.4.3 National Climate Change Policy for Grenada, Carriacou and Petite Martinique 2017–2021

The Government of Grenada adopted the National Climate Change Policy with the following objectives.³⁰

- Strengthen the institutional structure for implementation of climate change adaptation and mitigation action, along with the systematic integration of climate change adaptation into development policies, plans, programmes, projects, budgets and processes;
- Build climate resilience in the priority thematic areas: water supply and sewage management; agriculture, agri-business and food security;

29 Government of Grenada (2022). *Medium-Term Action Plan (MTAP) 2022–2024: Programme of Action for Economic Recovery, Transformation and Resilience*. <https://www.finance.gd/docs/2022/FinalMTAP2022-2024upd.pdf>

30 Government of Grenada (2017). *National Climate Change Policy for Grenada, Carriacou and Petite Martinique (2017–2021)*. https://www4.unfccc.int/sites/NAPC/Documents/Parties/Grenada_National%20Climate%20Change%20Policy%202017-2021.pdf

biodiversity and ecosystems; human health; and coastal zone management;

- Facilitate climate-smart (low-carbon, climate-resilient) infrastructure and sustainable land management and reduce GHG emissions in the electricity, transport, waste and forestry sectors;
- Integrate disaster risk management and climate change adaptation, and support funding applications for disaster risk management activities;
- Strengthen institutional arrangements for the use of climate, GHG emission and pollutant/chemical data and information to inform evidence-based decision-making;
- Improve citizens' awareness of the causes and impacts of and appropriate responses to climate change;
- Access climate technologies for mitigation and adaptation along with capacity-building;
- Increase external climate finance support to Grenada's adaptation and mitigation process; and
- Advocate for international action on climate change through foreign policy.

2.4.4 National Energy Policy 2011

The National Energy Policy has a 20-year vision and is accompanied by an ambitious but achievable 10-year action plan with identified projects. The policy mentions sector-wise policy measures that may be adopted, and a 10-year Grenada Energy Development Strategy.³¹

2.4.5 National Cooling Action Plan

Grenada's National Cooling Action Plan (NCAP)³² was developed to assist the country in meeting its new obligations under the Kigali Amendment to the Montreal Protocol on substances that deplete the ozone layer. Grenada, being one of the early

ratifiers of the Kigali Amendment for the phase-down of hydrofluorocarbons, is committed to early and ambitious actions, targeting the major sectors of the refrigeration and air-conditioning industry. The overarching objective of the NCAP is to reduce the direct and GHG emissions associated with the refrigeration and air-conditioning sector and create a stronger and more sustainable energy and building infrastructure.

2.4.6 Gender policies³³

Grenada has made numerous advancements towards achieving gender equality. The national Gender Equality Policy and Action Plan 2014–2024 was approved in 2014. This states the government's commitment to 'recognise and integrate the complementary roles of men and women into policies and programmes on disaster management, climate change, and natural resource development, and building a green economy'. Gender themes are reflected in several policy frameworks, including the MTAP. Gender inequality issues are also noted in the National Agriculture Plan 2015–2030.

2.5 Legal framework related to climate and environment

2.5.1 Environmental Levy Act 1997 and its amendments

An environmental levy imposed on a select list of persons, goods and services is collected by various public authorities, to be ultimately handed over to Grenada Solid Waste Management Authority. Products for which the levy is payable include water and select beverages and select white goods. Services for which the levy is payable include household electricity (EC\$5 per month where consumption of electricity is 100–150 kilowatt hours per month; EC\$10 per month where consumption of electricity exceeds 150 kilowatt hours per month), vehicle import, tipping, haulage, tourism arrivals, etc.

2.5.2 Electricity Supply (Amendment) Act 2017

As per this Act, network licensees shall periodically assess the expansion of the transmission and distribution systems that will be necessary to

31 Government of Grenada (2011). *The National Energy Policy of Grenada: A Low Carbon Development Strategy for Grenada, Carriacou and Petite Martinique*. <https://climatefinance.gov.gd/embedded-pdf/national-energy-policy-of-grenada/>

32 Government of Grenada (2021). *National Cooling Action Plan for Grenada: A sector mitigation strategy in contribution to Grenada's Nationally Determined Contribution (NDC)*. https://newclimate.org/sites/default/files/2021/09/NewClimate_GIZ2021_National_Cooling_Action_Plan_Grenada.pdf

33 Government of Grenada (2022). *Voluntary National Review of Grenada 2022: Putting People at the center of Sustainable Development and Transformation*. <https://hlpf.un.org/sites/default/files/vnrs/2022/VNR%202022%20Grenada%20Report.pdf>

develop new projects of electricity generation from RE sources and for the interconnection of generation facilities and electric plants. When granting a licence for generation, the minister shall give priority to electricity from RE sources or to electric plants that will otherwise significantly reduce the cost of electricity to consumers, Grenada’s carbon footprint and its dependence on imported fossil fuel.

2.6 Institutional framework related to climate and environment

Figure 2.3 presents the overall institutional framework for climate change in Grenada.

2.6.1 Policy formulation and governance

The **Ministry of Climate Resilience** co-ordinates the Government of Grenada’s climate change adaptation planning and actions. The Ministry executes at the operational level for the climate change actions in-country. The UNFCCC Climate Change Focal Point of is based in the Environment Division of the Ministry. This serves as a secretariat to the NCCC.

The National Designated Authority (NDA) for the Green Climate Fund (GCF) is the **Economic and Technical Co-operation Department in the Ministry of Finance**.

2.6.2 Strategic guidance

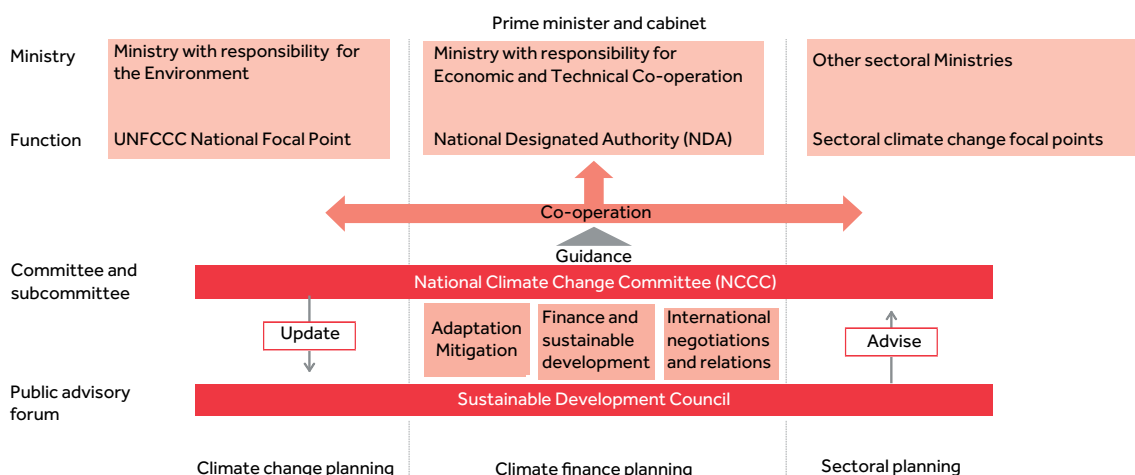
The **NCCC** plays a policy/strategic function for climate change activities in Grenada. It was re-established in 2014 to act as the main oversight body for climate change for the Government of Grenada. The NCCC consists of 13 government members and four subcommittees, on Mitigation; Adaptation; Finance and Sustainable Development; and International Negotiations and Relations. The subcommittees oversee the climate-related planning processes, including implementation of the NDC. Table 2.3 presents the structure of the NCCC.

2.6.3 Advisory function and other entities

The **Sustainable Development Council** offers the public unrestricted opportunity to discuss most of the government’s key economic, social and environmental initiatives at their planning, implementation and evaluation stages, including climate change actions.

Other **ministries, departments and statutory bodies** as well as **non-governmental organisations and the private sector** are also involved in the implementation of climate change adaptation action.

Figure 2.3 Climate governance structure in Grenada



Notes Ministry with responsibility for the Environment: Ministry of Climate Resilience
 Ministry with responsibility for economic and technical co-operation: Ministry of Finance
 NDA: Economic and Technical Co-operation Department, Ministry of Finance
 Source: Reproduced from GIZ (2019). 'Grenada NAP Process Country Case Study'.³⁴

34 <https://www.adaptationcommunity.net/wp-content/uploads/2019/04/giz2019-en-factsheet-nap-grenada-low-res.pdf>

Table 2.3 Structure of NCCC

<p>Administration and Secretariat Permanent secretary, Ministry of Climate Resilience, as chair Environmental specialist as deputy chair Director of climate resilience Environment officer</p>	
<p>Adaptation Working Group Representatives from Ministry of Economic Development, Planning, Tourism, ICT, Creative Economy, Agriculture and Lands, Fisheries and Cooperatives (Ministry of Economic Development), Land Use Department; Ministry of Health, Wellness and Religious Affairs; Grenada Ports Authority; civil society (nominated); National Disaster Management Agency (NaDMA); Ministry of Carriacou and Petite Martinique Affairs</p>	<p>Mitigation Working Group Project Officer, National Ozone Unit, Renewable Energy Division, Ministry of Climate Resilience; Environment and Renewable Energy Environment Officer, Environment Division, Ministry of Climate Resilience, The Environment and Renewable Energy; representatives from GRENLEC, the Grenada Transport Commission and the Grenada Solid Waste Management Authority (GSWMA); Business Support Executive, Grenada Co-Operative League Ltd, representing the Grenada Chamber of Commerce.</p>
<p>Finance and Sustainable Development Working Group Permanent secretaries of Ministry of Finance, Ministry of Climate Resilience, Ministry of Mobilisation, Implementation and Transformation; representatives from the Department of Economic and Technical Co-operation and a member of civil society</p>	<p>International Negotiations Working Group Special envoy for multilateral agreements (Dr Spencer Thomas), representatives of Ministry of Climate Resilience, Ministry of Foreign Affairs and Alliance of Small Island States</p>

Other entities and funds are also involved in climate change actions in Grenada:

- The **Grenada Sustainable Development Trust Fund** was founded in 2016 by the Government of Grenada, communities and the private sector to meet the goals of the Caribbean Challenge Initiative and other international and regional commitments – that is, to provide reliable, long-term funding to support the conservation and effective management of coastal, marine and terrestrial ecosystems and sustainable development activities. Its purpose is to provide a sustainable source of financing into perpetuity through the development and management of endowments and other funds for supporting sustainable development initiatives and activities, including but not limited to:
 - activities conserving the biodiversity and natural ecosystems of the coastal and marine environment of Grenada, such as those meeting the objectives of the Caribbean Challenge Initiative, and the terrestrial environment of Grenada;
 - climate change mitigation and adaptation activities; and
 - environmental conservation activities associated with human development and pollution.
- The **National Transformation Fund (NTF)** is a government fund held for financing projects in Grenada in many industries, including tourism, agriculture and alternative energy. It is a route for people who opt for citizenship of Grenada by investment. Eligible applicants, once approved, are required to make a one-time, non-refundable monetary contribution to the NTF. The value will vary depending on the number of dependants. The NTF has already invested in climate mitigation projects like the St John's River Flood Mitigation Project.
- **Grenlec** is the sole licensed provider of electricity in Grenada, Carriacou and Petite Martinique. It has a customer base of more than 50,000 and has been providing integrated generation, transmission and distribution services since 1960.

- The **National Water and Sewerage Authority** (NAWASA) is Grenada's lone water utility company, with 30 water supply facilities. NAWASA is also responsible for construction and maintenance of the public sewer system, possessing two sewerage collection disposal systems. It has been designated as lead implementing agency for carrying out studies to determine biological oxygen demand in waterbodies as part of NDC targets under the government's Sectoral Investment Plan.
- **Grenada Solid Waste Management Authority** (GSWMA) has the responsibility of developing solid waste management facilities and improving the coverage and effectiveness of solid waste storage, collection and disposal facilities in Grenada. GSWMA has been designated lead agency in updating the Waste Management Policy to include considerations of climate change as part of NDC targets under the government's Sectoral Investment Plan.
- The **Public Utilities Regulatory Commission** (PURC) was established by the PURC Act No. 20 of 2016. Its objectives are building a strong and sustainable regulatory regime that supports the economic development of

Grenada, Carriacou and Petite Martinique and protecting consumers' interests. The vision is to ensure utility services that are affordable, reliable, efficient and sustainable and that support Grenada's development. PURC has a role to play in approving RE legislation as part of NDC targets under the government's Sectoral Investment Plan.

2.6.4 Regional climate change framework and strategies including for climate finance access

The regional climate change framework is marked by the presence of the Caribbean Community Climate Change Centre (5Cs). The 5Cs were tasked with producing a Regional Framework for Achieving Development Resilient to Climate Change. This was followed by an Implementation Plan (2011–2021), which was approved by Caribbean Community (CARICOM) Heads of Government in March 2012. The countries in the region, including Grenada, carry out regular networking and collaboration with Organisation of Eastern Caribbean States (OECS) and CARICOM partners and with other SIDS on climate change issues within climate negotiations. This has led to identification of common ground between the countries, which meet frequently to strategise.³⁵

³⁵ Government of Grenada (2017). *National Climate Change Policy for Grenada, Carriacou and Petite Martinique 2017–2021*. https://www4.unfccc.int/sites/NAPC/Documents/Parties/Grenada_National%20Climate%20Change%20Policy%202017-2021.pdf

3. Current climate finance landscape in Grenada

3.1 Climate financing in Grenada

In Grenada, Ministry of Infrastructure, Physical Development, Utilities, Civil Aviation and Transportation (MOI) and the Ministry of Climate Resilience jointly deal with climate-related investment projects and with strengthening adaptation and mitigation practices. The priorities for the budgetary expenditure of the Government of Grenada are based on its strategic policy agenda for recovery, transformation and resilience, as set out in its MTAP for the period 2022–2024.

The goals of the NSDP guide the budgetary priority-setting. Of the three NSDP goals and eight outcomes, Outcomes 6, 7 and 8 deal with climate resilience, as Figure 3.1 shows. Entities responsible for climate resilience include NaDMA, the Ministry of Climate Resilience, the Ministry of Finance, the Ministry of Economic Development and MOI.³⁶

The Ministry of Finance allocates a budget for governmental spending related to climate change mitigation and adaptation projects. Figure 3.2 and

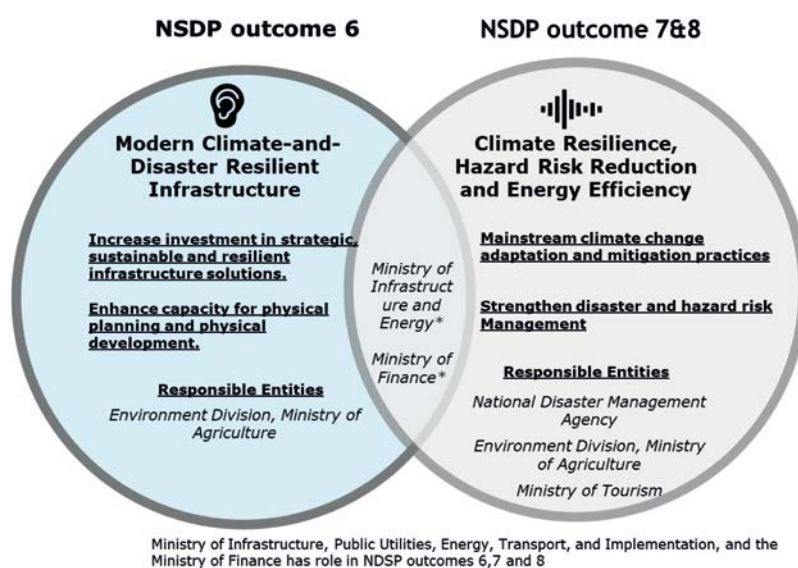
Table 3.1 present a snapshot of the type of funding received from external donor organisations, such as the Global Environment Facility (GEF), GCF, the World Bank, CDB and the Strategic Climate Fund (SCF). These projects were identified from the budget statements.

3.2 Availability of financing

Some of the key international climate financing partners of the Government of Grenada are GCF, GEF, CDB and the World Bank. Figure 3.2 shows the share of different sources of capital expenditure for Grenada for the year 2022. These include the NTF, the Pan American Health Organization (PAHO), the European Development Fund (EDF), the United Nations Development Programme (UNDP), the United Nations Children Fund (UNICEF), etc.

Grants and loans formed a major part of the capital budget of 2022 in Grenada. This is shown in Figure 3.3, which demonstrates that grants and loans comprise almost 70 per cent of the total capital budget.

Figure 3.1 NSDP Outcomes 6, 7 and 8



Source: Government of Grenada (2019). *National Sustainable Development Plan 2020–2035*.³⁷

36 Ministry of Finance (2021) 'Budget Framework Paper 2022'. <https://www.finance.gd/docs/Budget%20Framework%20Paper%202022%20Final%2004.1.22.pdf>

37 <https://observatorioplanificacion.cepal.org/sites/default/files/plan/files/GRANADA-NSDP20202035.pdf>

Table 3.1 Selection of major climate projects in Grenada, by donor agency and type of support (grant/loan)

Project	Donor agency	Type of support	Amount (EC\$ million)
Munich Water Treatment Plant	CDB (BNTF IX)	Grant	6.9
Grenada Water Supply Expansion System and Sewerage Improvement Project	DFID (UK)	Grant	34.8
Enhanced Direct Access Project	GCF	Grant	54
Climate-Resilient Cities: Grenada	GCF	Grant	2.6
Strengthening Institutional and Implementation Capacity for Delivery of Climate Change Investment Projects	GCF	Grant	1.1
Grenada Climate Resilience Water Sector Project	GCF, BMUB	Grant	125.5
Capacity-Building Initiative for Transparency	GEF	Grant	5.4
Protecting Biodiversity and Ecosystem Functions within and Around Protected Areas	GEF	Grant	8.1
Climate-Resilient Agriculture for Integrated Landscape Management Project	GEF	Grant	10
Accelerating the Introduction of Low-Emission and Climate-Resilient Electric Mobility in Grenada with UNEP as Delivery Partner	GEF	Grant	3.2
Mainstreaming Biodiversity-Friendly Practices to Enhance Global Environmental Benefits and Agroecological Restoration in Grenada	GEF	Grant	5.9
St.John's River Flood Mitigation Project	NTF	Grant	25
Regional Disaster Vulnerability Reduction Project	SCF	Grant	13.5
Solar PV/Battery Hybrid Project	UAE-CRF (Caribbean Renewable Energy Fund)	Grant	8.6
Grenada Resilience Improvement Project	World Bank	Grant	15
Natural Disaster Rehabilitation & Reconstruction/ Gouyave Extreme Rainfall Project	CDB	Loan	13.5
Integrated Solid Waste Management Project	CDB, local revenue	Loan	41
Climate-Smart Agriculture and Rural Enterprise Programme	IFAD, CDB	Loan	32.4
OECS Regional Health Project	World Bank	Loan	16.1

Source: Ministry of Finance (2022). *Estimates of Revenue and Expenditure for the Year 2022*³⁸; Ministry of Finance (2021). *2022 Budget Statement*.³⁹

The sources and channels of climate finance can be categorised broadly as domestic or international. The architecture of global climate finance is complex and constantly evolving. Funds are channelled through multilateral channels (inside

and outside UNFCCC and Paris Agreement funding mechanisms), and increasingly through bilateral channels, as well as through regional and national climate funds.

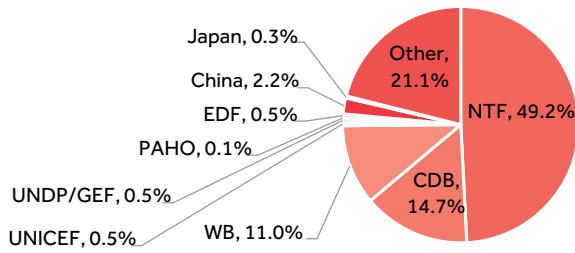
Figure 3.4 summarises the global climate finance landscape.

In Figure 3.4, the sources in blue are the ones that Grenada has already accessed for

38 https://www.finance.gd/docs/Estimate%20of%20Revenue%20and%20Expenditure%202022_final.pdf

39 <https://www.finance.gd/docs/2022BudgetStatement.pdf>

Figure 3.2 Sources of capital expenditure, 2022



Source: Ministry of Finance (2022). *Estimates of Revenue and Expenditure for the Year 2022*.⁴⁰

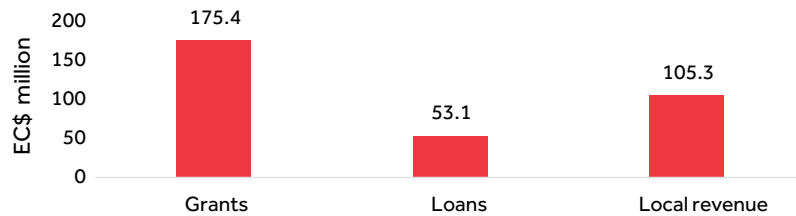
climate projects.⁴³ Multiple opportunities for more partnerships, collaboration and funding opportunities exist that Grenada can tap into.

3.3 Identification of constraints in resource mobilisation

3.3.1 The economy and its ability to raise additional financing through loans

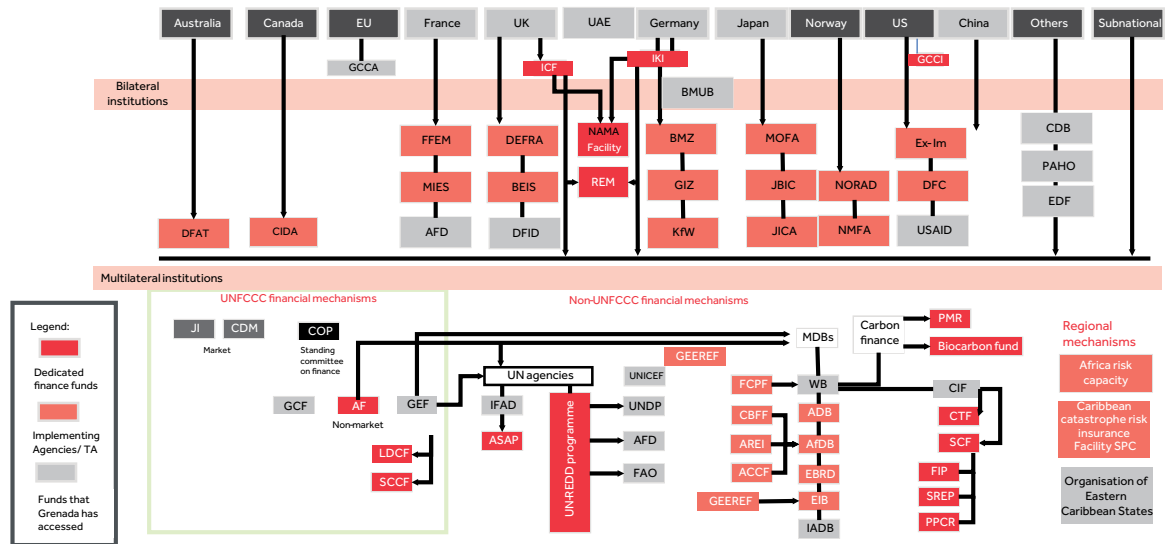
Grenada is classified as an upper middle-income country.⁴⁴ It has a largely tourism-based economy.

Figure 3.3 Capital expenditure budget by financing source, 2022



Source: Ministry of Finance (2022). *Estimates of Revenue and Expenditure for the Year 2022*.⁴¹

Figure 3.4 Global climate finance landscape



Source: Modified from Commonwealth Secretariat (2021). *Climate Finance Mapping for NDC Implementation in Zambia*.⁴²

40 https://www.finance.gd/docs/Estimate%20of%20Revenue%20and%20Expenditure%202022_final.pdf

41 https://www.finance.gd/docs/Estimate%20of%20Revenue%20and%20Expenditure%202022_final.pdf

42 https://production-new-commonwealth-files.s3.eu-west-2.amazonaws.com/migrated/inline/Climate_Finance_Mapping_for_Zambia_UPDF.pdf

43 Ministry of Finance (2022). *Estimates of Revenue and Expenditure for the Year 2022*. https://www.finance.gd/docs/Estimate%20of%20Revenue%20and%20Expenditure%202022_final.pdf

44 <https://data.worldbank.org/country/GD> (accessed 13 December 2022).

Grenada's finances: Key statistics

- 67%** public debt as a % of GDP
- 74/189** UNDP Human Development Index rank
- BB-** sovereign credit rating

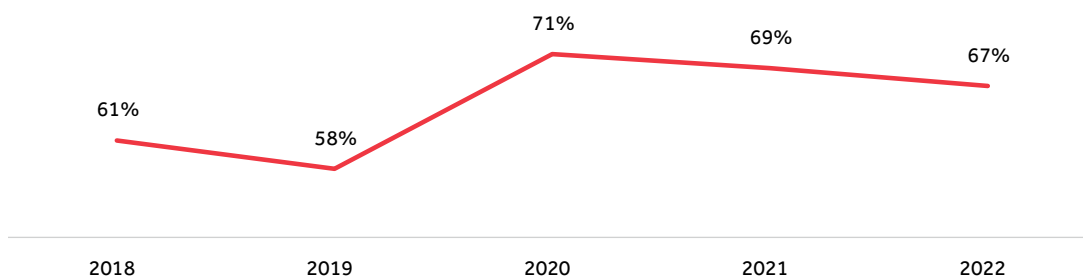
Grenada is assessed as being at medium debt-carrying capacity and a medium performer, according to the World Bank's Country Policy and Institutional Assessment. Grenada's tourism-dependent economy was hit hard by the COVID-19 pandemic. According to International Monetary Fund estimates, GDP growth contracted by -13.1 per cent, mainly because of international travel restrictions. The

economy rebounded only marginally in 2021. Limited access to climate finance, unavailability of innovative financing Instruments, lack of domestic capital availability, weak commercial feasibility of projects and the risk element of projects are some of the key constraints in resource mobilisation. Grenada is also always at risk of extreme weather events, which can negatively affect the economy.

Public debt has already reached 67 per cent of GDP, [Figure 3.5](#) shows. Hence, the government may face limitations in raising new loans.

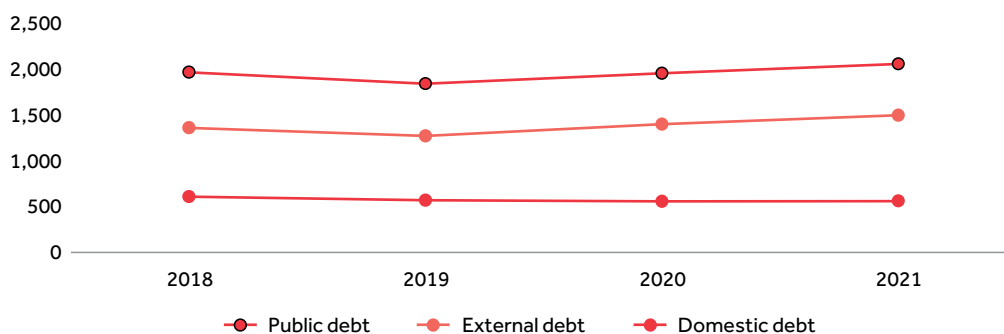
[Figure 3.6](#) shows the debt situation of the Government of Grenada. External debt consists of 72.80 per cent of the entire public debt for Grenada (2021).⁵¹

Figure 3.5 Public debt (% of GDP)



Source: Ministry of Finance (2020). *Grenada Economic Review & Medium-Term Outlook*⁴⁵; Ministry of Finance (2019, November). *Fiscal Risk Statement*.⁴⁶

Figure 3.6 Total debt of Government of Grenada (EC\$ million)



Source: Ministry of Finance (2018). *Medium-Term Debt Management Strategy 2019–2021*⁴⁷; (2019). *Medium-Term Debt Management Strategy 2020–2022*⁴⁸; (2020). *Medium-Term Debt Management Strategy 2021–2023*⁴⁹; (2021). *Medium-Term Debt Management Strategy 2022–2024*.⁵⁰

45 <https://www.finance.gd/docs/2020EconomicReviewandMediumTerm%20Outlook.pdf>

46 <https://www.finance.gd/docs/FiscalRiskStatement.pdf>

47 <https://www.finance.gd/docs/Grenada%20MTDS%20Report%20%202019-%202021.pdf>

48 <https://www.finance.gd/docs/GDAMTDSFinalReport2020.pdf>

49 <https://www.finance.gd/docs/GDAMTDSReport2021-2023.pdf>

50 <https://www.finance.gd/docs/MTDSREPORT2022FINAL12.11.21.pdf>

51 Ministry of Finance (2021). *Medium Term Debt Management Strategy 2022–2024*. <https://www.finance.gd/docs/MTDSREPORT2022FINAL12.11.21.pdf>

3.3.2 Doing business

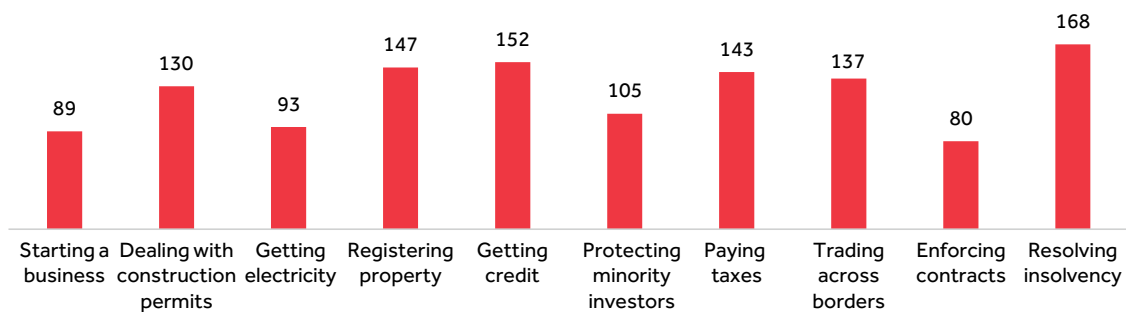
The Ease of Doing Business Index ranks countries based on how conducive the regulatory environment is to business operations and protections of property rights. Grenada is an upper-middle-income country. Its overall ranking improved from 147 in 2018 to 146 in 2020, although this is still low, as it is out of 190 countries.⁵² These rankings are shown in Figures 3.7, 3.8 and 3.9, even though the World Bank has discontinued the release of these ranking for further years.

Caribbean countries such as Jamaica, Saint Lucia and Barbados fare better on the overall Doing Business ranking, and on certain business environment parameters. The Government of Grenada may pursue a more robust approach to ease business environment parameters to enhance investment climate in the country.

3.3.3 Private sector finance

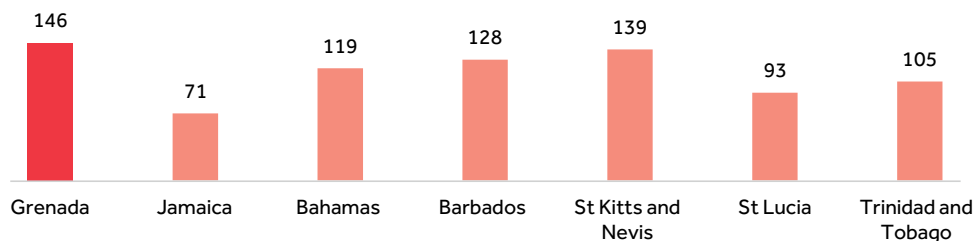
The private sector has a limited presence in Grenada, with constraints on access to finance.

Figure 3.7 Doing Business ranking parameters for Grenada (2020)



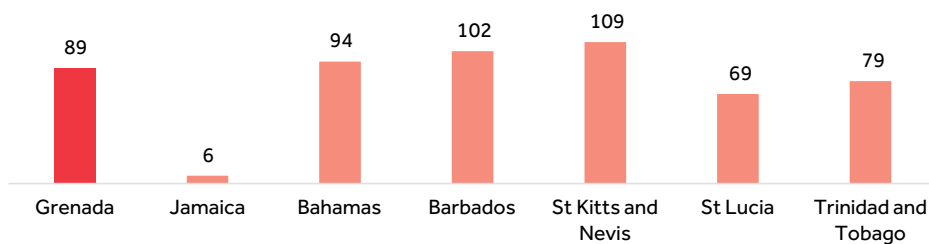
Source: World Bank (no date). 'Ease of doing business rank (1=most business-friendly regulations) – Grenada'.⁵³

Figure 3.8 Overall 'doing business' ranking of peer Caribbean countries (2020)



Source: World Bank (no date). 'Ease of doing business rank (1=most business-friendly regulations)'.⁵⁴

Figure 3.9: Starting a business ranking of peer Caribbean countries (2020)



Source: World Bank (no date). 'Starting a business'.⁵⁵

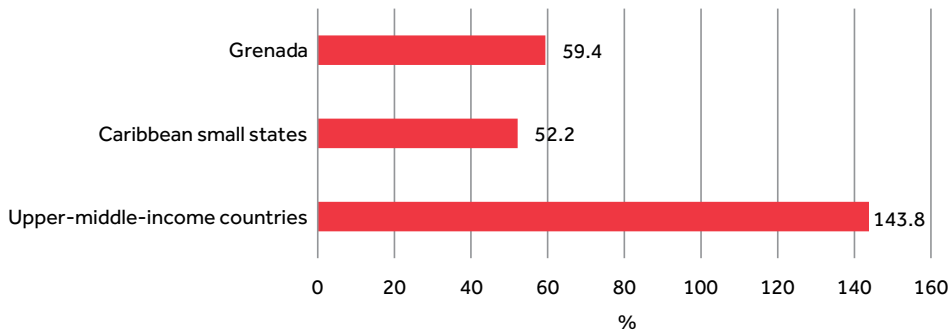
52 <https://data.worldbank.org/indicator/IC.BUS.EASE.XQ?locations=GD> (accessed 13 December 2022).

53 <https://data.worldbank.org/indicator/IC.BUS.EASE.XQ?locations=GD> (accessed 13 December 2022).

54 <https://data.worldbank.org/indicator/IC.BUS.EASE.XQ?locations=GD> (accessed 13 December 2022).

55 <https://archive.doingbusiness.org/en/data/exploretopics/starting-a-business> (accessed 13 December 2022).

Figure 3.10 Domestic credit to the private sector in 2020 (% of GDP)



Source: World Bank (no date). 'Domestic credit to private sector (% of GDP) – Grenada'.⁵⁶

Domestic credit to the private sector (as a percentage of GDP) has remained sub-par in Grenada when compared with its peers.

In Latin America and the Caribbean, Sustainable Development Goal (SDG)-related international private sector investment flows saw a decline of 44 per cent in 2020 because of the COVID-19

Case study: How Jamaica is accelerating private sector engagement

The Climate Change Division of Jamaica’s Ministry of Economic Growth and Job Creation, with support from the Commonwealth Climate Finance Access Hub, secured \$582,000 from GCF to implement a readiness initiative to mobilise the private sector to support low-carbon and climate-resilient development in Jamaica and other Caribbean countries. Jamaica is undertaking:

- A national scoping study to investigate the barriers facing the private sector in climate investment;
- Supporting private adaptation investments under Climate Change Adaptation Line of Credit, for the agriculture and tourism sector;
- Assisting the private sector to access multilateral funds directly, with plans to identify at least two entities that can meet the GCF accreditation requirements.

Source: The Commonwealth (2019, July 2) 'Four Ways Jamaica Is Boosting Private Sector Engagement in Climate Action' [blog post]. <https://thecommonwealth.org/news/blog-four-ways-jamaica-boosting-private-sector-engagement-climate-action>

Case study: Saint Lucia Private Sector Engagement Strategy

Similar to Grenada, Saint Lucia is highly vulnerable to the adverse impacts of climate change. The government has been collaborating with various organisations to enhance climate change adaptation capacity. Under the national adaptation planning process, a 2020 Private Sector Engagement Strategy was developed. This aims to promote private sector involvement to help in the national adaptation effort.

The strategy lays out the relevant components of the Saint Lucian private sector for consideration of its engagement modalities, and addresses how the public sector can encourage private sector engagement and investment in climate change adaptation.

Source: Government of Saint Lucia and NAP Global Network (2020). *Saint Lucia’s Private Sector Engagement Strategy: Under the National Adaptation Planning Process*. <https://napglobalnetwork.org/wp-content/uploads/2020/09/napgn-en-2020-Saint-Lucias-Private-Sector-Engagement-Strategy.pdf>

56 <https://data.worldbank.org/indicator/FS.AST.PRVT.GD.ZS?locations=GD> (accessed 13 December 2020).

pandemic. Overall foreign direct investment declined by 25 per cent in the same period.⁵⁷

3.3.4 Other key constraints

Small size of projects and high transaction costs: In SIDS such as Grenada, the size of individual climate projects is typically small when compared with those in mainland and larger countries. The small size of projects raises transactional costs, thereby reducing their financial viability. It also prevents developers from achieving economies of scale.

Seasonal income of commercial and industrial (C&I) consumers: Tourism is a major source of revenue, and many C&I establishments cater to this industry. However, the seasonal nature of their business means cash flows can be irregular, thereby impacting their ability to service debts.

Resource constraints of the domestic financial market: The domestic financing sector is not large enough to support the high amount of resource mobilisation (US\$1 billion estimated by the Government of Grenada) envisaged.

Legal and regulatory framework: The absence of a well-defined and unambiguous legal and regulatory framework results in the absence of a proper project development framework, creating ambiguities and uncertainties for investors. Deficiencies in legal and regulatory frameworks also lead to issues in obtaining permits/licences, along with inconsistencies in permitting procedures, land ownership, transmission evacuation and obtaining right of way for transmission.

Institutional capacity constraints: Grenada is aware of the need to strengthen existing institutional capacity to cater to climate change adaptation planning, such as through selecting climate change focal points in all line ministries and conducting trainings in climate change risk analysis and general as well as sector-specific climate change knowledge. However, to achieve the overall mitigation and adaptation targets, there is an opportunity for Grenada to strengthen existing institutional capacity further, so the country can interact with multiple financing sources, apply for financial support, etc. Hence, establishing an integrated and co-ordinated approach to addressing climate change can help minimise capacity gaps in the system while ensuring coherence and cohesion at the local and national level.

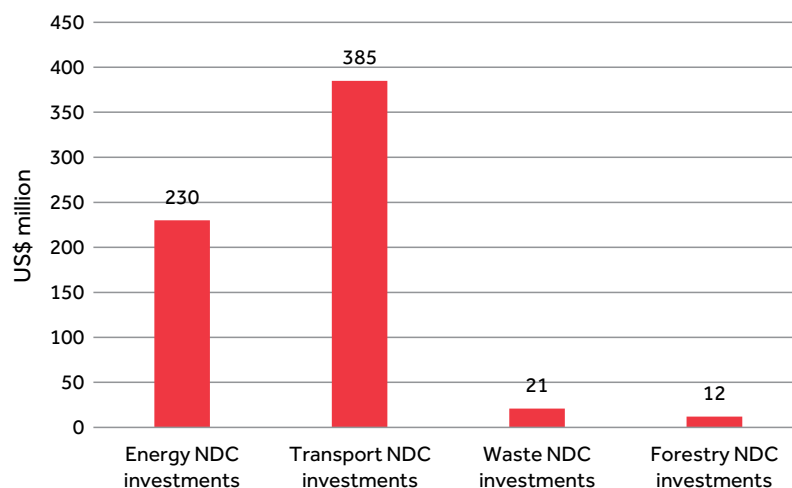
3.4 Investment required for the Second NDC and the NAP

As per the Second NDC, Grenada's identified NDC mitigation measures are expected to cost between US\$984.9 million and \$1,054.5 million by 2030. In this regard, various supporting documents, such as the NDC Sectoral Investment Plan, concept notes and a prioritisation document have been developed.

3.4.1 NDC Sectoral Investment Plan and estimated costs

Grenada has mapped an initial estimation of investments required in four sectors to achieve its NDC targets, as [Figure 3.11](#) shows. Some of the key project areas covered under the Sectoral

Figure 3.11 Estimated costs (US\$ million) of Grenada's NDC Sectoral Investment Plan



Source: Authors using Government of Grenada NDC Sectoral Investment Plan.

57 UNCTAD (2020, December) *SDG Investment Trends Monitor*. https://unctad.org/system/files/official-document/diaemisc2020d3_en.pdf

Table 3.2 Key project areas under each sector in the Sectoral Investment Plan

Energy	Transport	Waste	Forestry
30 MW solar farm	Transition to EV and low-emission public transport	Five-year Waste Management Strategy reviewed and under implementation	Forest regeneration, and afforestation strategies
15 MW geothermal	Infrastructure (charging ports)	Waste management equipment fleet	Rehabilitation of degraded forests
Energy efficiency initiatives and projects designed and implemented	Climate-smart transportation options	Waste to energy	Protection of terrestrial areas under nationwide agroforestry programme
National Energy Policy updated to include more RE and energy efficiency	Fuel efficiency standards	Investment in sewage treatment system	Forest regeneration, and afforestation strategies and programme
Carbon tax for fossil fuels	Capacity-building	Wastewater treatment and recycling project	Capacity-building initiatives

Figure 3.12a Energy projects with high investment requirement (US\$ million)

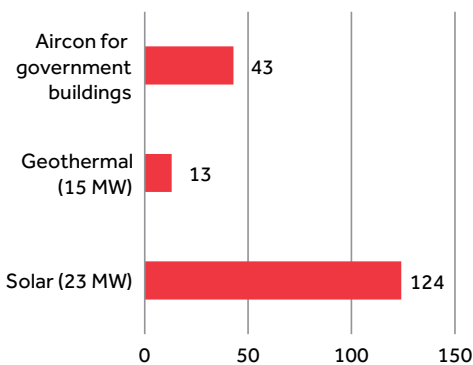


Figure 3.12c Transport projects with high investment requirement (US\$ million)

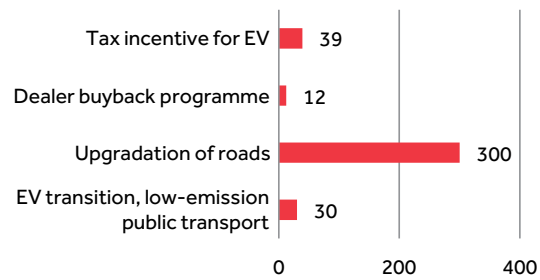


Figure 3.12b Waste projects with high investment requirement (US\$ million)

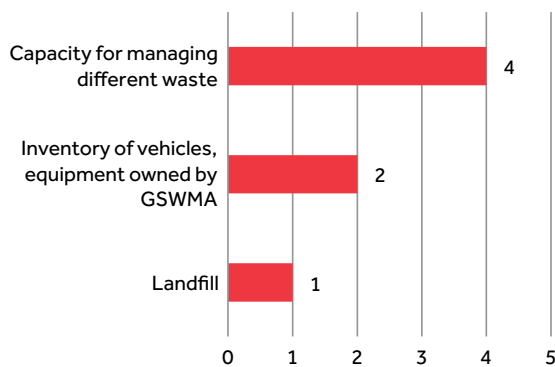
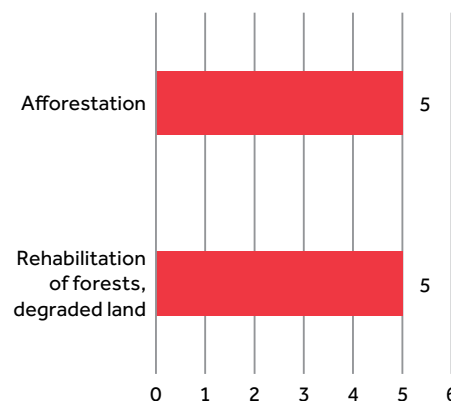


Figure 3.12d Forestry projects with high investment requirement (US\$ million)



Investment Plan are listed in [Table 3.2](#). Furthermore, and as is shown in [figure 3.12a](#), solar and geothermal projects, and air-conditioning for government buildings, form the bulk of the estimated energy sector investment requirement. Similarly, key project areas for transport, waste and forestry sectors are illustrated in [Figures 3.12b–3.12d](#).

A further analysis of the Sectoral Investment Plan reveals that the bulk of the identified activities relate to climate change mitigation actions. However, it is important to note that [Figure 3.11](#) is based on the NDC Sectoral Investment Plan, which focuses mostly on mitigation components and does not consider the adaptation components of the NDC Implementation Plan, which is guided by the NAP 2017–2021.

Table 3.3 Indicative costs of each programme of action under the NAP 2017–2021

Vision	Goal	Indicative cost (US\$ million)
Institutional arrangements, inter-sectoral co-ordination and participation	Institutional structure to support co-ordination, integration and implementation of climate change adaptation action strengthened	0.335
Systematic integration of adaptation into development policies, plans, programmes, projects and budgets	Systematic integration of adaptation into development policies, plans, programmes, projects, budgets and process	0.65
Water availability	A climate-responsive water governance structure established	50.2
Food security	Foundation laid for food availability, stability, access and safety	46.0
Ecosystem resilience	Improved management and conservation of protected areas and other key ecosystems areas	26.6
Integrated coastal zone management	Institutional, professional and technical capacity for integrated coastal zone management built	15.0
Resilient infrastructure and sustainable land management	Selected infrastructure adequately planned and designed and properly located and maintained to be resilient to climate change, including increasingly extreme weather events; land managed sustainably	112.9
Disaster risk reduction and disease prevention	Funding is mobilised for the implementation of actions focusing on reducing the risks posed by extreme weather events as part of NaDMA's five-year Country Programme (2014–2019); climate-sensitive disease surveillance and control established	0.18
Climate and sea-level rise data and projections	Strengthened institutional arrangements for the collection, analysis and provision of climate-related data for use in decision-making	7.0
Sustained public education and participation	An informed public that will demand and support public policies aimed at building national resilience to climate change	1.7
Adaptation financing	Successful project applications ensure external climate finance support to Grenada's adaptation process	1.4
Monitoring and evaluation	Implementation of proposed NAP measures to be documented	0.17
	Total	262.135

Source: Government of Grenada (2017). *National Climate Change Adaptation Plan (NAP)*.⁵⁸

Apart from the projects identified under these sectors through the Sectoral Investment Plan, Grenada will adopt a holistic and multi-sectoral approach to low-carbon development and climate resilience, which encompasses education, health and food security. Annex 4 presents a detailed list of projects under each targeted sector.

3.4.2 Indicative costs for the NAP 2017–2021

The NAP 2017–2021 lists the approximate costs required for each programme of action, as summarised in [Table 3.3](#).

A total of US\$262.135 million was the approximate budget for programmes of action under the NAP 2017–2021. However, this number can be seen as an indicative number since the NAP is currently being updated.

58 https://www4.unfccc.int/sites/NAPC/Documents/Parties/Grenada_National%20Adaptation%20Plan_%202017-2021.pdf

4. Review of leading practices from other countries

4.1 Introduction

This section assesses best practices in mobilising financial resources as followed by Antigua and Barbuda, Belize, Lebanon, Rwanda, Saint Lucia and Vanuatu. For Grenada to meet its funding requirements, it will be necessary to analyse these successful financing models and innovative financing instruments. This will make it possible to draw out a strategy for Grenada on similar lines. An assessment of similar resource mobilisation strategies (RMSs) for countries that were looking to mobilise investment for their climate targets yields the following observations.

- A national financing vehicle (NFV)/ climate finance unit is a useful entity to route domestic and international funds toward climate-related projects and programmes.
- Climate finance market transformation can be facilitated through enabling market creation and investment activities.
- The phasing of an implementation plan for an RMS helps in providing a clear roadmap, whereby short-term goals focus on addressing investment needs using instruments that can be deployed under the current financial landscape along with the motive of mitigating some market-related barriers so that financial support can be scaled in the long term.
- The government can upgrade various economic and financial policies to mobilise private sector finance towards projects in line with the country's NDC targets. These policies include risk-sharing mechanisms, fiscal policy tools and regulatory measures such as depreciated capital allowances, tax credits and sustainability credits.
- Investment partnership is one of the key areas identified in countries' RMSs.

A summary of leading practices from the case study countries is as follows.

- **Antigua and Barbuda:** The government has developed the Sustainable Resource Framework, which serves as the primary channel for environmental, mitigation and adaptation funding.
- **Belize:** Belize has drawn up a Climate Finance Strategy to provide strategic direction on mobilising, accessing and utilising finance. This comprises 12 strategic directions as building blocks of the overall strategy.
- **Lebanon:** Lebanon's NDC RMS is based on implementation of the Lebanon Green Investment Facility, which will mobilize financial and technical resources for action in three phases.
- **Rwanda:** The Green Growth and Climate-Resilient Strategy suggested an NFV to meet climate finance requirements; the government then established the National Fund for the Environment.
- **Saint Lucia:** The government has estimated that NDC mitigation actions will cost US\$369 million. It plans to use innovative financing options and funds from the private sector and bilateral and multilateral entities to meet its NDC targets.
- **Vanuatu:** The government, with help from the Global Green Growth Institute, established the National Green Energy Fund. This acts as an NFV and helps meet the financing requirement to tackle climate change.

4.2 Antigua and Barbuda

The Government of Antigua and Barbuda has developed a national fund, the Sustainable Island Resource Framework Fund (SIRF Fund), to serve as the primary channel for environmental and climate mitigation and adaptation funding from

international and domestic sources. The purpose of the SIRF Fund is to provide financing to implement the Environmental Protection and Management Act 2019 in a co-ordinated, systematic and cost-effective manner in Antigua and Barbuda.⁵⁹

The SIRF Fund is established as a Special Fund under the Finance Administration Act 2006. This status enables Antigua and Barbuda to earmark income from a range of sources to achieve its environmental and climate change goals.

Domestic sources include Green Card park visitation fees, pollution charges, carbon credits, taxes, levies and other fees as may be prescribed by regulation. For international funding, the SIRF Fund acts as an implementing entity and sustainable financing mechanism for bilateral and multilateral funding sources

The SIRF Fund provides access to funding to the government, the private sector, and non-governmental and community organisations. Public sector funding under the SIRF Fund follows the national budget process. Financing is available to the private sector in the form of loans, equity, risk guarantees and insurance.

4.3 Belize

The Climate Finance Strategy of Belize⁶⁰ aims to provide strategic directions to Belize on mobilising, accessing and utilising finance from different sources and channels in a strategic manner to address climate change challenges while maximising synergies and co-benefits. It was supported by the Commonwealth Secretariat through Commonwealth Climate Finance Access Hub (CCFAH) under the Climate Action Enhancement Package of the NDC Partnership.

The strategy proposes two broad categories of strategic direction: core strategic directions, to drive the process to achieve the overall objectives; and cross-cutting strategic directions, to mainstream elements based on globally agreed principles.

On 3 January 2022, the Ministry of Finance announced the creation of the Climate Finance Unit. This aims to maximise Belize's access to climate finance and enhance its overall resilience. Its objectives are as follows.

- Translate Belize's overarching climate change mitigation, adaptation, preparedness and resilience plans into implementable and finance-ready strategies and projects.
- Implement, operationalise, monitor, review and update the Climate Finance Strategy of Belize.
- Act as the expert hub on climate finance in Belize by acquiring updated knowledge, capacities and expertise.
- Create awareness and build capacities of ministries, departments and other stakeholders on climate finance.
- Facilitate, co-ordinate and support climate finance project development and proposal submission from the government and other partners, including the private sector and civil society, therefore acting as the clearing hub for climate proposals and projects in Belize.
- Lead Belize's international climate finance advocacy and networking efforts.

4.4 Lebanon

Lebanon's NDC RMS is heavily based on the proposed implementation of the Lebanon Green Investment Facility (LGIF), designed by the NDC Partnership. The LGIF will help accelerate implementation of Lebanon's NDC by mobilising financial and technical resources for climate action. While the LGIF is not yet operational, it will focus on innovating finance, networking and partnerships, portfolio financing and private sector engagement.

The LGIF is expected to mobilise initial funds of up to US\$200 million. It is also envisaged as providing technical assistance, portfolio financing, support in risk mitigation such as hedging and a platform for networking and stakeholder consultations, as well as exploring the use of innovative financing instruments.

Implementation and operationalisation of the LGIF will take place in three phases.

59 Department of Environment, Antigua and Barbuda (no date). 'Home' [webpage]. <https://environment.gov.ag/en/home> (accessed 13 December 2022).

60 Commonwealth Secretariat (2021). *Climate Finance Strategy of Belize 2021–2026*. https://production-new-commonwealth-files.s3.eu-west-2.amazonaws.com/migrated/inline/Climate_Finance_Strategy_of_Belize_UPDF.pdf

Phase 1 (5–7 years) – enabling investment and market creation activities: These activities will focus on addressing investment needs using instruments that can be deployed under the current political and financial situation. Specifically, this phase will be characterised by:

- A strong emphasis on leveraging public finance and grants;
- A high degree of concessionality to address early-stage investment opportunities;
- Use of risk-mitigating instruments such as guarantees to rebuild investor confidence.

Phase 2 (10–15 years) – scaling up commercial financial support: Once some market barriers related to the regulatory and

political environment have been mitigated, the LGIF can deploy a wider range of instruments and expand in scope. This will be characterised by an expansion of the set of instruments to include additional hard financing tools and more advanced technical assistance. This phase will be the longest and most extensive.

Phase 3 – drawing down concessionally and public support: In this phase, the LGIF will determine its long-term (final) function, ensuring that it is not crowding out private sector investment and engaging in activities that are additional to those already taking place.

Table 4.1 identifies relevant and applicable financing options for each of the phases.

Table 4.1 Strategy for arranging finance in Lebanon, by phase

	Phase 1 (2023–2025)	Phase 2 (2025–2030)
Financing		
Capital provision	Grants	
	Preferential-terms loans	
		Innovation grant, interest subvention to private sector
		Green bonds, debt-for-climate swaps
		Carbon tax and credits
		Senior debt and refinancing
Capital facilitation		Credit enhancement
	Risk mitigation	
Technical assistance and capacity building		
Targeting low capacity	Project TA to developers	
	Policy co-ordination	
		Project structuring assistance
	Project pipeline development and implementation	
		Investor liaisoning
Lowering risk		Due diligence
	Monitoring, reporting and verification (MRV)	
Institutional and policy		
National financing vehicle	Operationalisation and capitalisation	Implementation of projects
Reforms	PPP framework, carbon credit market, carbon taxation	

Source: Islamic Development Bank (2020). *Nationally Determined Contribution (NDC) Partnership Climate Action Enhancement Package (CAEP) – Lebanon: Terms of Reference*.⁶¹

61 https://devbusiness.un.org/system/files/ToR_Lebanon_LGIF_Resource_Mobilization_Strategy_1.pdf

4.5 Rwanda

Rwanda has developed a Green Growth and Climate-Resilient Strategy (GGCRS), which envisions the country becoming a low-carbon, climate-resilient economy by 2050. To help finance and co-ordinate achievement of this vision, the government established a national environment and climate change fund, Rwanda Green Fund (FONERWA), in 2012. This is the largest in its kind in Africa. Its core responsibilities are as follows:

- Mobilising and managing resources used in financing activities aimed at protecting and preserving environmental and natural resources;
- Mobilising and managing funds to be used in the fight against climate change and its impacts;
- Collecting and managing funds from the public and private sector, through bilateral and multilateral partnerships, to achieve the country's objectives to advance national priorities in the field of environment and climate change;
- Supporting public organs, associations and individuals for environmental protection, conservation and research as well as the fight against climate change;
- Co-ordinating and ensuring that various finance partnership agreements related to prevention as fighting against climate change are prepared and effectively managed across various national stakeholders;
- Collaborating with other national, regional and international institutions with the same mission.

FONERWA reached an initial capitalisation of US\$50 million, receiving funding from the UK and German governments and international organisations such as UNDP. The Rwandan government also gave an initial grant and additionally agreed to channel all environmental charges and fines, collected in response to environmental infringements within the country, to the fund. In disseminating funds, FONERWA uses three main instruments:⁶²

- **Credit line:** FONERWA provides Rwanda's cheapest money through a credit line that offers financing at 11.45 per cent, well below market rates. This was designed in partnership with Rwanda's Development Bank. Private sector companies must provide 30 per cent match funding.
- **Innovation grants:** This is a performance-based investment for research and development, proof of concept and demonstration. Private sector companies can apply for up to US\$300,000 and must provide 25 per cent match funding.
- **Grants:** These are accessed by public institutions and non-governmental organisations.

4.6 Saint Lucia

Saint Lucia's NDC targets are conditional on external funding and technical support. To meet its NDC goals, Saint Lucia relies mainly on grants and subsidised loans from its development partners. These include Climate Analytics for technical assistance, the OECS Commission, the Global Green Growth Institute and the World Resources Institute. The government estimates the cost of NDC mitigation measures at around US\$368 million, with the private sector projected to provide 90 per cent of the necessary investment.

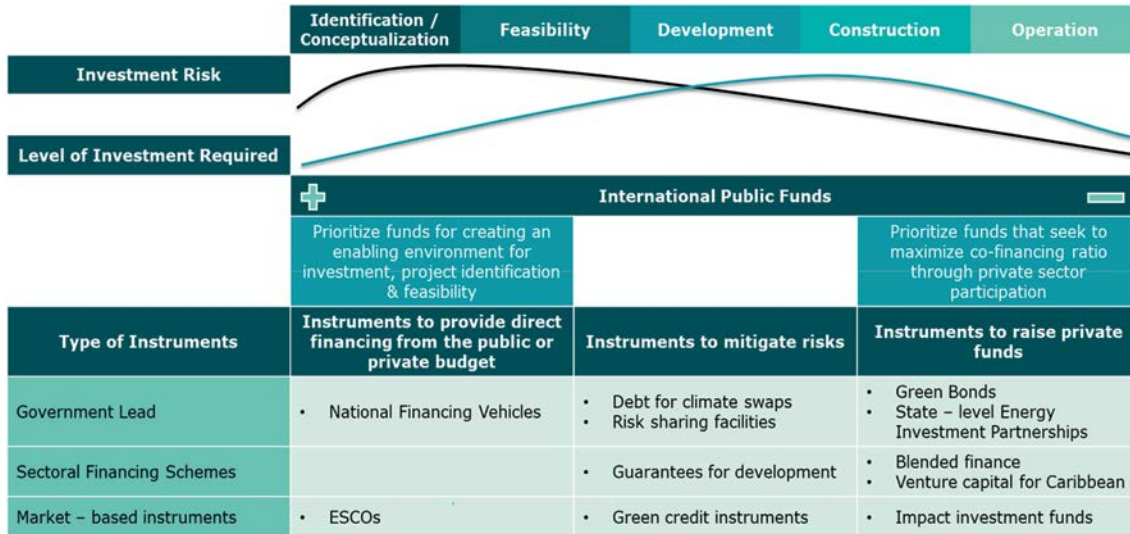
In order to accomplish Saint Lucia's mitigation goals by 2030, the NDC Financing Strategy provides short- and medium-term initiatives for mobilising public and private money. Different types of investment/financing options are identified, based on the project stage (Figure 4.1).

The various financial instruments considered for funding are as follows:

- **NFVs:** These funds have the function and fiduciary management capacity to receive and hold international and national climate finance resources and redistribute them.
- **Green bonds:** These processed of these bonds are earmarked for projects with environmental benefits.
- **Green credit instruments:** These refer to the practice of banks considering not only economic benefit indicators but also environmental factors in the credit issuance process, and then making appropriate loan decisions.

62 Global Green Growth Institute (2019). *Review of GGGI's Experience to Design and Operationalize National Financing Vehicles to Finance Climate and Green Growth Policy Implementation*. <https://ggi.org/wp-content/uploads/2020/01/GGGI-Technical-Report-No.-9.pdf>

Figure 4.1 Financial options considered for Saint Lucia’s RMS



Source: Global Green Growth Institute (2021). *Saint Lucia’s NDC Financing Strategy*.⁶³

- **Carbon tax:** This is a tax levied on carbon emissions as a type of penalty on businesses for excessive GHG emissions.
- **Blended finance:** This refers to the use of concessional aid and/or philanthropic finance to adjust the risk/return profile of projects in order to crowd in private sector investments.
- **Green guarantees:** These refer to actions taken to reduce the risk of investment in green projects and climate action.
- **Carbon offsets:** These actions are intended to compensate for the emission of CO₂ into the atmosphere as a result of human activity.
- **Debt for climate swaps:** under these swaps, debt is transformed into a grant committed to undertaking climate-related investment
- **Impact investment:** This investment intends to generate a positive development impact (an environmental or social return) along with a financial return.

Saint Lucia has developed a Climate Financing Strategy, which considers different sources of financing such as domestic public resources, international public finance and domestic and international private finance. It should be noted that Saint Lucia, as a SIDS, has very limited resources, and is expected to

mobilise a significant amount of international technical and financial resources to address climate change. Consequently, substantial international support will be needed to achieve the adaptation and mitigation activities proposed in this NDC. While adaptation is key to reducing the risks and impacts of climate change, including nature-based solutions, lack of ambition in mitigating climate change at the global level may result in a number of limits to efforts undertaken by Saint Lucia. These include the inability of coastal ecosystems to adapt to the increased rates and extent of sea level rise; insufficient financial resources to implement required adaptation strategies; and lack of effective or affordable technologies to provide coastal protection from impending sea level rise and extreme events.

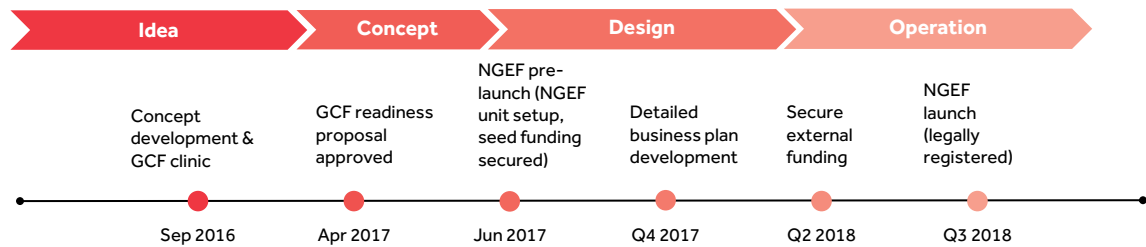
4.7 Vanuatu

The Government of Vanuatu launched the Vanuatu National Energy Roadmap in 2013 (updated in 2016), a strategy that focuses on five priorities: energy access, affordable energy, secure and reliable energy, sustainable energy and green growth with measurable targets for the 2016–2030 period.

Currently, the National Green Energy Fund (NGEF) is helping channel finance towards clean energy technologies and infrastructure on the remote islands. NGEF was established by the

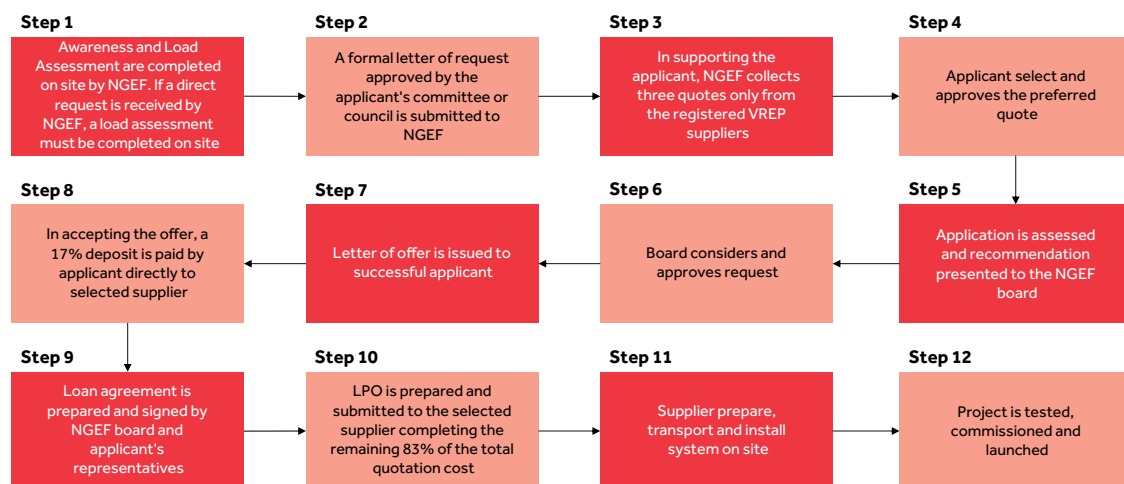
63 <https://gggi.org/wp-content/uploads/2021/09/Saint-Lucia-NDC-Financing-Strategy-2.pdf>

Figure 4.2 Process of development of the National Green Energy Fund



Source: NGEF (2020). *Annual Report*.

Figure 4.3 NGEF project proposal steps



Source: NGEF (2020). *Annual Report*.

Government of Vanuatu with funding and technical support from the Global Green Growth Institute (see Figure 4.2).

Since its inception in 2018, NGEF has already received US\$0.37 million from the Government of Vanuatu as an initial capitalisation. Figure 4.3 presents the broad steps involved in the scrutiny and appraisal of project proposals.

4.8 Lessons for Grenada

For Grenada to meet its funding requirements, it will be necessary to assess these successful financing models and innovative financing instruments and draw out a strategy on similar lines.

- **Creation of an NfV:** Creation of an NfV is observed in Antigua and Barbuda, Belize, Lebanon, Rwanda and Vanuatu. These are dedicated funding vehicles that channel domestic or international resources towards climate-related projects and programmes. Creating an enabling environment for

investment and project identification and feasibility is important in setting up such a mechanism. The NfVs focus on increasing domestic climate finance and leveraging international funds in an aggregate manner. An NfV to facilitate, co-ordinate and support climate finance project development would be useful for Grenada to unlock financing.

- **Innovative financing instruments** such as green bonds and green guarantees are important to tap into, as the amount of resources to be mobilised is huge and cannot be met through grants and concessional loans alone.
- Climate finance market transformation can be facilitated through **enabling market creation and investment activities**.
- **Phasing of implementation planning:** Lebanon has followed a phase-wise approach to mobilising financial resources for climate finance. This helps in providing a clear

roadmap with short- and long-term goals. Short-term goals focus on using instruments that can be deployed under the current financial landscape while mitigating some market-related barriers so that financial support can be scaled later.

- **Improving private finance:** Scaling up private finance is a key component in financing NDC and NAP priorities. This include facilitating private finance that is sector-specific through public–private partnerships (PPPs). Also, interventions such as depreciated capital allowances, tax credits and sustainability credits based on contribution to natural capital formation/preservation can incentivise private sector participation in priority climate change adaptation and mitigation sectors.
- **Investment partnership** is a key area identified in the RMSs of the countries discussed. Networking and partnership with regional and bilateral and multilateral institutes is important.
- **Awareness and capacity-building:** Support related to institutional capacity-building, co-ordination, policy and planning, and programming for investment will be important. Awareness across sectors on options and on the context of climate finance is important. Training local experts and integrating capacity-building aspects into projects and programmes will help improve the visibility of climate commitments.

5. Proposed strategy for resource mobilisation

5.1 Overall strategy

The objective of the RMS is to enable Grenada to mobilise financing resources of US\$1 billion to achieve the country's NDC and NAP targets by 2030. This takes cognisance of both mitigation and adaptation components and the list of activities and projects under the NDC Sectoral Investment Plan, the prioritisation document and the NAP.

Considering the significant amount of financing required, Grenada will need to use the full range of sources available to channel to priority projects. In other words, a comprehensive exploration of the climate financing landscape will be necessary, to cover all potential sources including modes of support such as partnerships with strategic investors, financial institutions and leveraging platforms with a long-term commitment to green growth in developing countries and SIDS. Moreover, robust planning and monitoring approaches that ensure financing responds to priority needs and opportunities are required.

A range of actions are needed to implement the key processes of finance mobilisation shown in [Figure 5.1](#). These include creating an NFV, improving the PPP framework, deploying innovative financing instruments, capacity-building and leveraging regional co-operation in the Caribbean region.

Change theory

Given the financing issues, and the more specific challenges that Grenada faces with regard to raising external financing, unlocking private finance and the policy landscape, the following theory of change has been developed to guide the RMS:

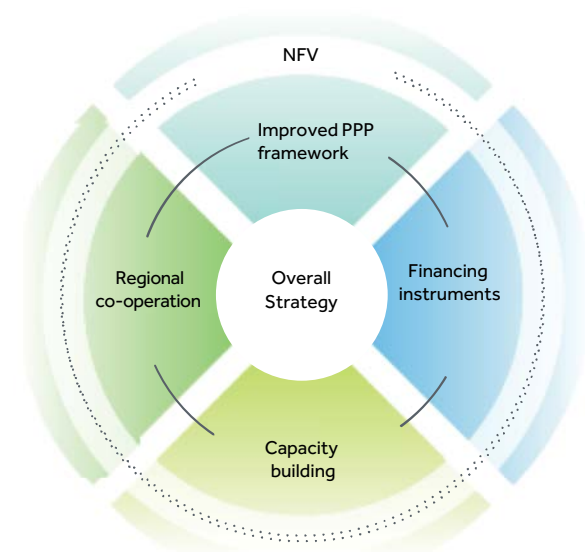
IF Grenada updates its climate finance frameworks to set up an NFV; improve the PPP framework to mobilise private finance; facilitate the use of innovative financing instruments; enable financial support mechanisms that serve to mobilise capital investments, such as grants and loans initially along with private investments; secure technical support and

institutional and capacity development; and tap into regional forums and leveraging long-term partnerships.

THEN Grenada's climate finance landscape will be transformed to facilitate ease of access to climate finance resources and related capacity-building, so as to achieve its climate mitigation and adaptation targets.

- **NFV:** The Government of Grenada sets up an NFV that receives climate funds and redistributes these towards national projects. Potential expansion of the Grenada Sustainable Trust Fund can be explored as opposed to creation of a new entity.
- **Improved PPP framework and project pipeline:** Leveraging private sector involvement in execution and maintenance of the system will mobilise investment and enable the optimisation of limited public institutional/organisational resources.

Figure 5.1 Key components of Grenada's RMS



Source: The authors.

- **Innovative financing instruments:** This focuses on leveraging access to innovative financing instruments in a phased manner, such as through targeting grants and concessional loans in the initial phase and other instruments, like long-term loans, equity and green bonds, as the market matures in the second phase.
- **Capacity-building:** Institutional capacity of the government to govern and co-ordinate climate finance in Grenada and improve financing strategies and the project pipeline will be strengthened.
- **Regional co-operation and aggregation and networking with financing institutions:** Leveraging the regional platform will support NDC implementation through partnership, for example using joint strategies, plans and programmes with the OECS, CARICOM and the Caribbean Climate Change Centre (CCCC).
- Apart from tapping the regional platform, the Government of Grenada may continue to make efforts to improve its visibility and build partnerships on its own with donors, multilateral funds, foundations, etc.

5.2 Component 1: NFV or fund for climate projects

It is recommended that the Government of Grenada set up an NFV to receive climate funds and redistribute these towards national projects.

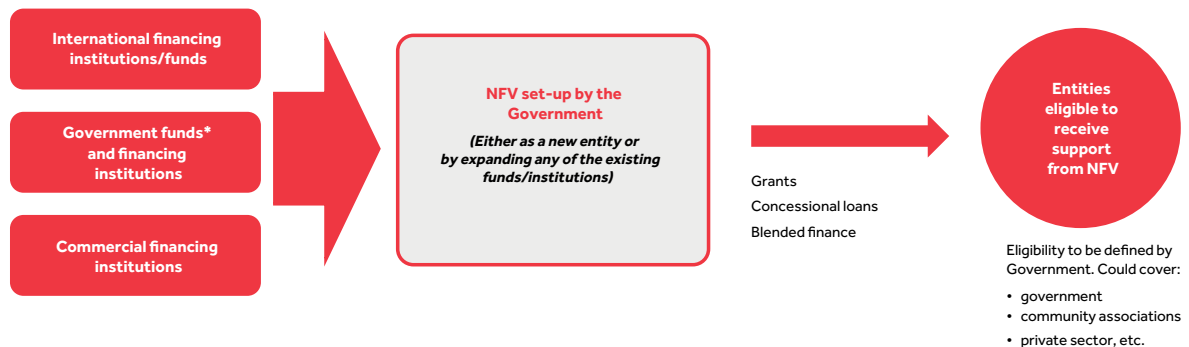
The benefits of setting up an NFV to accelerate climate financing are captured below:

- **A multitude of financing sources aggregated in one place:** To achieve its climate objectives, Grenada will need to tap into a multitude of climate finance sources and delivery channels. This will make it possible to formulate a portfolio of projects based on the NDC Implementation Plan, the NAP and the prioritisation document. An NFV can aggregate the multitude of financing instruments from different sources on one platform. Hence, an NFV can leverage and scale finance in quantities that would not be possible using a single instrument or source.
- **Establishment by government:** Since the NFV will be nationally driven, it will provide a platform to accelerate climate action across

sectors and ministries. An NFV can leverage public resources to attract and channel private finance to projects and programmes at a scale that would not be possible otherwise. The establishment of an NFV would require political support.

- **Alignment with national priorities:** Since the NFV will be set up by the government, its projects will align with national priorities. This will allow proper co-ordination with concerned national entities and ministries regarding sector-specific climate projects. The NFV can also directly support the government's policy priorities, thus avoiding possible conflicts. National ownership of climate finance to achieve NDC targets will also be assured.
- **Channelling investments for projects:** By providing support through policy interventions, the NFV can facilitate the required institutional framework for channelling investment flows into climate projects. Lack of adequate funds and facilities for investment in climate projects can be addressed, including through identifying and shaping projects within various sectors to become more bankable.
- **Strong precedence in SIDS:** Experience in other countries, such as Belize, Lebanon, Rwanda and Saint Lucia, shows that NFVs can assist small countries to access climate financing in an optimum manner, solving a few issues related to capacity and scale.
- **Lowering risks:** An NFV can also provide possible mitigation measures for risks that limit private investments in climate and green growth projects. It can do this through the formulation of risk assessment processes to identify, assess and analyse risks and mitigation measures for all applications of funds routed through the NFV.
- **Sending positive signals to investors and financing institutions:** An NFV provides international partners and potential investors with the opportunity to support a nationally owned institution dedicated to supporting the fight against climate change.
- **Tapping private sector involvement:** NFVs also lower the barriers to access for public and private entities at the national level. Private sector resources can be leveraged through

Figure 5.2 The concept of an NFV



Source: the authors.

*In special circumstances – for example, funds collected through a carbon tax regime.

the NFV, enabling it to scale its operations. The NFV can allow for direct engagement with the private sector through co-financing, equity and insurance-based modalities.

NFVs directly channel the bulk of climate finance investments in the country in order to facilitate their flow in a streamlined manner. Further, NFVs provide value addition through assistance such as blended financing, common reporting frameworks, etc. Figure 5.2 illustrates the broad concept of an NFV.

It is recommended that the NFV undertake the following activities :

- Receiving and holding international and national climate finance resources;
- Structuring projects and blending with a concessional finance contribution;
- Accessing global climate finance to target mitigation and adaptation projects;
- Holding a multitude of instruments that can flow to projects, according to the needs of the activity pipelines identified;
- In addition to direct instruments, supporting credit enhancement insurance, etc. in the longer term.

The set-up of an NFV would require initial capitalisation from the government as well international co-funding from international financing sources, institutions or funds. The NFV will also require institutional mobilisation, including specific legislation and policy interventions, for its design and operationalisation. Clear definitions of roles and responsibilities regarding governance and the management structure will be crucial for successful operationalisation.

In the context of Grenada, there are two options for an NFV. One is to leverage the Grenada Sustainable Development Trust Fund (GSTDF) and enhance its capacity to function as an NFV. The other is to build a new NFV, which can leverage the expertise of existing entities such as the GSTDF and the Ministry of Climate Resilience.

Demystifying the concept of the NFV

1. The NFV will facilitate the channelling of external fund flows to Grenada's climate projects. However, it will not be mandatory for funds to pass through the NFV.
2. The Ministry of Finance will continue to remain the prime administrator for the external funds.
3. The NFV is an institution, not a fund. But it may set up or administer funds.

The following are prerequisites for an NFV.

- **Establishing clear objectives and a legal framework:** It is necessary to create a legal structure for the NFV and define its mandate, governance structure and funding sources. The objectives in terms of channelling financing, co-investing, policy advocacy and mobilising private investment must be clearly laid out.
- **Channelling financing:** The NFV must build access to a multitude of funding sources, such as public funds, donors, international financing, private investment, etc. Due diligence procedures to assess the viability of projects and ensure they are aligned with national priorities will also be required.

- **Mobilising private investment:** It will be important to establish partnerships with financial institutions to leverage their expertise and networks to reach a broader range of investors. Also, the NFV, in co-ordination with the Government of Grenada, should be able to exhibit a track record of previous climate-related projects in Grenada and offer risk-sharing mechanisms to reduce the risk for private investors.
- **Engaging with stakeholders** such as government agencies, private investors and civil society, to build support and leverage additional funding, will be required.
- **Facilitating policy development:** The NFV could work with policy-makers to develop policies and regulations that support the growth of the climate finance sector and encourage private investment.

5.3 Component 2: Improved PPP framework and project pipeline

The existing PPP Policy of Grenada was developed in 2014. Its objective is to use PPPs as an instrument to implement priority public investment projects that are aligned with the government's development objectives. The framework lays out the structure, mechanisms and processes for PPPs in Grenada. However, to maximise the benefits that PPPs offer, it is vital to improve the PPP framework to mobilise financing (especially private) to usher in investments for climate projects. PPPs can bring benefits related to the capacity of the private sector to access additional financing, provide expertise and take on certain risk.

It is recommended to set up a PPP unit (likely under the Grenada Investment Development Corporation) to provide support to the Government of Grenada in implementing PPP transactions, including by engaging and managing specialist technical advisors to support the process. It will be important to determine the alignment of PPP projects with national and sector-level strategies, identify fiscal priorities and constraints and approve projects. The government could consider linking the PPP objectives with the country's infrastructure and growth strategy or climate change mitigation and adaptation strategy.

Critical success factors include:

- Transparency in allocation;
- An adequate risk-sharing mechanism;

- An enabling policy and regulatory environment, facilitating institutional arrangements;
- An encouraging political environment and financial market;
- An appropriate risk and reward-sharing mechanism; and
- Stakeholder consultation and buy-in.

The key projects identified for PPP implementation can be grouped into a **national PPP project pipeline**, to signal to investors overall investment potential in future years. Respective ministries/departments may drive the PPP project allotment process through competition in a phased manner, using the PPP project pipeline. Grant assistance can be sought for the PPP document preparation and bidding process.

It is to be noted that the Government of Grenada has developed a pipeline of climate-related projects and activities, which development partners such as the Commonwealth Secretariat and the NDC Partnership, among others, are supporting. The Commonwealth Secretariat through the CCFAH has prepared three specific project concept notes, while the NDC Partnership has identified a list of projects under the four sectors within the Sectoral Investment Plan.

All identified projects need to be integrated and form the base for one comprehensive list of projects, to be reviewed periodically, for NDC implementation by the government.

Some potential projects, with estimated costs, are as follows, as per the Sectoral Investment Plan:

- 23 MW solar plant (US\$124 million);
- Upgrading roads (US\$300 million);
- EV charging infrastructure (US\$2.3 million); and
- Waste disposal for recycling (US\$4.5 million).

It is important to note that the PPP project pipeline will not necessarily comprise the Sectoral Investment Plan projects. Not all the latter are suitable for PPPs. There could also be projects in the PPP pipeline that are not yet identified in the Sectoral Investment Plan.

5.4 Component 3: Using innovative financing instruments

One major way to achieve targets is to mainstream climate change projects into current public spending. Since there will be budgetary constraints, finance mobilisation has to be enhanced by accessing innovative financial instruments, which may be undertaken in a phased manner. [Table 5.1](#) offers an overview of instruments the Government of Grenada can utilise to meet its NDC goals.

Phase 1 (2023–2025): In the initial phase, the government has to rely heavily on grant funding and concessional loans from development partners to finance its NDC objectives. Multilateral climate funds and bilateral development finance institutions represent the most significant sources of grant funding for least developed countries and SIDS seeking to take climate action.

Grants can be administered through existing mechanisms that have a proven track record in successful delivery of NDC-related initiatives. Grants will help put things on course for market enablement and facilitation. Grants will be

instrumental in funding technical assistance, demonstration, public awareness and other activities that help reduce barriers.

Concessional loans are loans that have lower interest rates and longer terms or grace periods to allow the recipient countries to maximise their efforts in fighting climate change. This phase also targets risk management with the support of international institutions. Risk management includes guarantees and insurance usually offered to credit-enhance projects by covering payment defaults by the borrower or issuer up to a pre-determined amount. This includes setting aside risk management mechanisms such as credit risk assessments.

Grants and concessional loans will be instrumental for projects that require extensive project preparation and technical assistance. Since these projects will not be implemented without initial support to system planning or preparation, their launch may face difficulties, given the large preparation costs and high risks. Hence, early-stage interventions in the form of technical assistance and concessional support and/or grants can help.

Table 5.1 Accessing innovative financing instruments, by phase

Phase 1 (2023–2025)	Phase 2 (2025–2030)	Continuous activity
<ul style="list-style-type: none"> To accelerate Grenada's climate finance market, phase 1 will be mostly grant-based along with concessional loans. Risk management with the support of international institutions. Delivery of technical assistance to facilitate project implementation. 	<ul style="list-style-type: none"> As market development takes place, commercial long-term loans can also be explored. Green bonds can be issued to raise financing. A national carbon trade mechanism may be introduced. Use of CSR to be leveraged (for example, in afforestation). 	<ul style="list-style-type: none"> Building partnerships for climate financing and engaging with stakeholders. Establish MOUs for co-operation with various national and international entities. Long-term agreements with institutes such as GCF, GEF and IADB to secure funding lines of upcoming funding (for example, securing funding for GEF-9 programme).
Consider: <ul style="list-style-type: none"> tapping GEF-8 programme leveraging partnership with World Bank, GCF Tapping World Bank Multi-Donor Trust Fund. 	Consider: <ul style="list-style-type: none"> tapping long-term loans tapping strategic investors, private investors/venture capital companies. 	

Phase 2 (2026–2030): As the climate financing market gradually develops, it will be key to use other financial instruments to take forward the climate finance to meet NDC targets in the second phase. These instruments include commercial loans, green bonds, etc.

Loans continue to be one of the most prominent instruments to provide public climate finance. Both concessional and non-concessional loans can be used in this phase. Additionally, loans can be based on blending other financial instruments, to enable a more scalable financing option. To facilitate loans and lines of credit to both the public and the private sector, it is important to build and co-ordinate capacity to directly access dedicated climate funds and funds from bilateral and multilateral development partners and other international finance institutions.

Long-term projects such as investments in developing sustainable transport options and infrastructure could be targeted for implementing through targeting long-term loans.

World Bank loan for Lake Victoria Transport Program in Rwanda

With the aim of facilitating transport movement in the Lake Victoria region in Rwanda along with upgrades to road asset management and road safety, this project was funded through a World Bank loan. Of US\$104 million, \$81 million was obtained as a credit from the International Development Association (IDA), while \$23 million was funded through government counterpart financing.

Source: World Bank (2017). *Lake Victoria Transport Program – Sop1, Rwanda (P160488)*. <https://documents1.worldbank.org/curated/en/575001495936877042/pdf/Rwanda-PAD-05082017.pdf>

Securing a loan for high-investment projects will be viable since securing grants for the whole amount may be difficult. According to the 2022 budget expenditure statement by the Ministry of Finance, Grenada, loans are already being sought for the OECS Regional Health Project funded by the World Bank and the Integrated Solid Waste Management Project funded by CDB, etc. This provides a good precedent for planning loans for projects that offer good bankability.

Green bonds offer a significant opportunity to mobilise large amounts of private capital earmarked for climate change. Green bonds are a type of debt issued by a public or private institution that are used to fund projects for environmental purposes. Green bonds facilitate diversification of the investor base, as these normally can attract investors and asset managers with green investment mandates. This can help reduce the cost of debt by enabling the refinancing of bank loans for infrastructure projects once the projects enter the operational phase and become less risky.

Green bonds framework

To issue green bonds, the Government of Grenada may create a green bonds framework detailing the objectives and requisites involved. Such a framework usually includes but is not limited to:

- A list of all green bond objectives;
- Alignment of objectives with national priorities;
- A list of indicative projects planned for investment;
- Timelines of the proceeds of the green projects to be allocated fully.

Green bonds have held a prominent marketplace presence in the past few years. Globally, they enjoyed a growth rate of about 49 per cent in the five years to 2021.⁶⁴ They are seen as an attractive proposition for investors. For example, the green bonds issued by the World Bank have a credit rating of AAA. According to the Climate Bonds Initiative, annual issuance of green bonds could hit up to US\$1 trillion in 2023. It has also been observed that green bonds experience stronger secondary market performance compared with vanilla equivalents.

However, it has been observed that many SIDS face barriers in access to the market for green bonds. These include limited market infrastructure in terms of elements like credit risk assessment,

64 World Bank (2021, December 8) 'What You Need to Know About IFC's Green Bonds'. <https://www.worldbank.org/en/news/feature/2021/12/08/what-you-need-to-know-about-ifc-s-green-bonds>

access to exchanges, market depth, liquidity, etc. Limited access to international capital markets by local banks to tap into bonds is another barrier. To address these barriers, assistance can be sought from funding institutions providing support to green bonds. For example, GCF has supported through its grant-based readiness programme the efforts of the Government of Jamaica to set up a Caribbean green bond listing on the Jamaica Stock Exchange, enabling it to list green bonds through a dedicated facility.⁶⁵

In the case of a **debt for climate swap**, the debt service is usually written off in exchange for commitment to using the debt service for climate adaptation or mitigation measures. Given the rising debt profile of Grenada, with public debt currently standing at 67 per cent of GDP, this may represent a viable option for both the Government of Grenada and its multilateral creditors. The Commonwealth Secretariat also has identified debt swaps as one of the three key action areas to focus on to support member countries. Such a process could start in the first phase but will be more appropriate in Phase 2.

Similar to green bonds, **green loans** are another type of financing instrument whose proceeds are used exclusively for climate projects. A green loan usually has a bigger volume and may have higher transaction costs. For example, in Mexico, with the help of the International Finance Corporation, a US\$541 million green loan was mobilised for a period of 15 years to finance the construction of five solar plant projects with a total installed capacity of 526 MW.⁶⁶ Grenada can consider projects planned under the energy sector like wind, solar and geothermal by tapping these instruments.

Blue bonds are an innovative financing instrument where a portion of the debt service is redirected towards conservation activities. This includes debt restructuring that refinances debt on better terms to create savings to convert into conservation finance. The debt restructuring creates new financial flows that support governments to reach

their protection targets for their ocean areas. This structuring leads to savings for the government that in turn are applied to the development of a marine spatial plan and a blue grants fund to support local conservation activities. Since Grenada already has a huge public debt to GDP ratio, it can also look into accessing blue bonds as a financing instrument with institutions that provide the same, such as The Nature Conservancy (TNC).

Blue bonds for Belize debt conversion for marine conservation

A US\$364 million debt was converted for marine conservation that resulted in the reduction of Belize's debt by 12 per cent of GDP, created long-term sustainable financing for conservation and locked in commitment to protect 30 per cent of Belize's ocean. The debt conversion enabled Belize to repurchase \$553 million, a quarter of the country's total public debt, from bondholders at a 45 per cent discount through a blue loan arranged by TNC. The savings achieved in the refinancing allowed Belize to create an estimated \$180 million in conservation funding over 20 years, composed of annual cashflows from the government and an endowment capitalised through the blue loan.

Source: The Nature Conservancy (no date). *Case Study: Belize Debt Conversion For Marine Conservation*. <https://www.nature.org/content/dam/tnc/nature/en/documents/TNC-Belize-Debt-Conversion-Case-Study.pdf>

Similarly, a **carbon trade mechanism** can be tapped in Phase 2. This would mean the private sector contributing to climate financing in exchange for emission credits to compensate for residual emissions. Additionally, leveraging corporate social responsibility mandates can help in appealing to companies to contribute to investments in climate change action.

Continuous activities: Building partnerships for climate financing and engaging with stakeholders will form part of continuous activity spread over both phases. This will include the following.

- The signing of co-operation agreements with various national and international entities.
- Regular tracking of calls for proposal from financing and development entities.

65 Glemarec, Y. (2022, April 27). 'Green and Climate Resilience Bonds – Scaling up Access to Affordable Finance in Developing Countries, Notably in LDCs'. Speech, 2022 Forum on Financing for Development. <https://www.greenclimate.fund/speech/green-and-climate-resilience-bonds-scaling-access-affordable-finance-developing-countries#main-content>

66 World Bank (2021, October 4). 'What You Need to Know About Green Loans'. <https://www.worldbank.org/en/news/feature/2021/10/04/what-you-need-to-know-about-green-loans>

- Entering into long-term agreements with institutes such as GCF, GEF and the Inter-American Development Bank (IADB) to secure funding lines for upcoming funding (e.g. for GEF-9). For example, countries usually appoint an NDA as an interface between GCF and the government. GCF works with countries to develop a country programme, which allows the country to plan climate targets through investment strategies that prioritise a pipeline of projects for financing. Grenada can consider integrating country programmes with other financing institutions and funds as well.

Costing for adaptation measures is often particularly challenging owing to a lack of data and the more complex nature of adaptation interventions. Hence, aligning domestic finance should be more visible in adaptation projects as a potential signal to investors.

5.5 Component 4: Capacity-building for the government

Capacity-building will be critical since different stakeholders will be called upon to support the transition of Grenada in its bid to achieve its NDC targets. A demand-led capacity-building training to different stakeholders would help in improving the capacity of sectoral stakeholders responsible for overseeing and managing the climate projects and investments. This would include different training strategies for different levels for government ministries and departments: at entry point, of newly recruited officials; of middle management officials; of senior management officials.

Table 5.2 gives a brief overview of a two-pronged approach to enhancing capacity for climate finance in Grenada.

Table 5.2 Approach to enhancing capacity for climate finance in Grenada

1. Institutional capacity and co-ordination mechanism	2. Finance strategies and project pipeline strengthened
<p>Manage and co-ordinate climate finance in Grenada</p> <ul style="list-style-type: none"> • Measurement, reporting and verification systems (MRV) for climate finance flows • Capacity enhancement in climate change negotiations to strengthen government positions within international negotiations • Stakeholder engagement consultative process through the NCCC • Public policy 	<p>Capacity enhancement</p> <ul style="list-style-type: none"> • Appropriate climate projects identified and prioritised in sync with Grenada’s priorities • Subject matter expertise on climate finance instruments (e.g., carbon markets), energy (e.g., renewables), etc. • Project concept note/project proposal development • Preparation of funding proposals for ministries, departments and agencies • Estimates on cost and scale for prioritised mitigation and adaptation solutions • Expertise in bankable project development and management
<p>Key action points</p> <ul style="list-style-type: none"> • Establish a competent National Climate Change Focal Point Support • Departments to be targeted: education, energy, environment, ICT and infrastructure; Grenlec; NAWASA; etc. 	<p>Key action points</p> <ul style="list-style-type: none"> • Capacity-building on climate modelling, project appraisal, etc. • Trainings on personnel in the operations and updating climate modelling, GHG emissions modelling, drainage network mapping

5.6 Component 5: Regional co-operation and aggregation, and networking with financing institutions

5.6.1 Regional co-operation and aggregation

In order to address issues related to economies of scale, the country may explore options to leverage support through regional platforms to support NDC implementation, such as through a joint programme with the OECS, the CCCCC, CARICOM, the Eastern Caribbean Central Bank (ECCB), etc.

Regional co-operation can cover the following aspects:

- **Joint planning:** Work together with OECS countries by strengthening green growth planning and increasing climate finance;
- **Joint programmes:** Joint programmes to improve regulatory and fiscal policy on climate investment flows. For example, ECCB is currently implementing an initiative with the World Bank and the NDC Partnership on greening the banking sector;
- **Increased private investment:** Increase private sector participation and investments in resilient energy and develop a Private Sector Engagement Strategy for NDC Actions in Grenada;
- **MRV Hub:** Taking part in this can strengthen capacity on MRV and on the GHG inventory;
- **Capacity-building:** Improve the capacity of the government to identify and develop energy resilience opportunities and projects.

Leveraging existing support programmes: A few key projects under OECS

- Interest-free loan programme: investments of up to US\$50,000;
- Eastern Caribbean Green Entrepreneurship Initiative;
- Green growth governance: support for OECS policy analysis on energy resilience.

5.6.2 Networking with financial institutions

It is also important for the Government of Grenada to ramp up its effort on a one-to-one basis with different funds, financing institutions and foundations to improve the visibility of Grenada's climate commitments and engage in communication, partnership and network-building. These partnerships will ultimately prove to be critical in realising Grenada's NDC targets. Apart from financing investment opportunities, these partnerships can help through technical assistance, project-tagging, awareness-raising, knowledge-sharing, capacity-building and networking.

The NFV in collaboration with the NCCC can establish co-operation agreements with various national and international entities on various fields of activities related to climate finance.

It is important to unlock bilateral finance such as the recent US–Caribbean Partnership to Address the Climate Crisis 2030 (PACC 2030), as well as partnerships with the Kingdom of Morocco, Hellenic Republic of Greece, Taiwan, India-UN Development Partnership Fund, GIZ and so on, as the finance is usually less difficult to access and can serve as a steppingstone and experience-builder in accessing more administratively complex funding such as the Adaptation Fund (AF) and GCF.

Integrating local private finance for the RMS

While it is important to tap private financing through the PPP mode, it will be equally important to unlock local private sector investment in climate action. Local private finance can play an important role in tackling climate action by providing funding and investment for climate-related projects and initiatives at the local level. This can include financing for distributed RE projects, energy efficiency improvements, sustainable forestry practices and other initiatives that help communities adapt to the impacts of climate change. Additionally, local private finance can support the development and scaling of new climate technologies and innovation, and provide expertise and resources to support climate-related policy development and

advocacy efforts. Local micro, small and medium enterprises (MSMEs) and homeowners are also pivotal in building resilience in key sectors/ areas – such as buildings, agriculture, tourism. Since MSMEs have practical and on-the-ground knowledge of local environmental issues, they can be encouraged to try and adopt a business model that seeks out opportunities created by climate change. Hence, it is also important to build capacity for local communities, because partnerships can then be established to inform the local level, including MSMEs, about investment opportunities and incentives related to climate adaptation. This would lead to increased capacity of selected enterprises to incorporate adaptation considerations into their business proposals, as well as facilitating engagement between investors and MSMEs in adaptation-related initiatives.

5.7 Gender inclusion in the overall RMS

Gender disparities constrain women's abilities to engage in climate finance or to start or scale up initiatives aimed at responding to climate change. All areas of climate finance need to be gender-responsive in order to ensure that climate finance is effective and equitable. Gender perspectives, principles and tools should be mainstreamed in all levels of climate finance mechanisms' governance structures, procedures, processes and operations. Integrating gender into the implementation and monitoring of climate projects and programmes should be another priority. Establishing simplified funding mechanisms to enable women's organisations to access climate finance should be a focus area.

The following key priorities are highlighted in considering gender inclusion and mainstreaming in climate finance access and NDC implementation.

- **Financing gender expertise (Components 1, 2 and 3):** It is important to channel financing resources to create an ecosystem that allows equitable gender and social benefits through climate action. The NfV can assess the gender responsiveness of public expenditure allocation (by ministry, department, sector,

goal, project or line item).⁶⁷ The NfV may also consider prioritising financing assistance for projects that are more gender-responsive.

- **Institutional measures (Component 1):** The government may consider appropriate gender representation in key institutions and forums such as the NfV and the NCCC.
- **Implementation of gender-related recommendations of the NDC Implementation Plan, NAP, MTAP, etc.:** The NDC Implementation Plan proposes the development of a gender mainstreaming report and ensuring gender representation in stakeholder consultations. Other documents, such as the NAP and the MTAP, also cover gender-related aspects. These recommendations and related projects are covered for implementation through this RMS.
- **Considering gender representation while planning for capacity-building (Component 4):** Training and capacity-building should ensure balanced gender representation as far as possible.
- **Integration of gender into project pipelines and concept notes:** Gap assessment of international, regional and national acts, policies, principles and guidelines relating to gender equality and social inclusion will be important. In the project concept notes developed based on the NDC Implementation Plan, gender strategies are also considered.

5.8 RMS administration and revisions

5.8.1 Lead agency in implementation of the RMS

Initially, the lead RMS implementing role can be taken up jointly by the Ministry of Finance and Ministry of Climate Resilience, which can together

⁶⁷ Commonwealth Secretariat (2022). *Gender Integration in NDCs: A Commonwealth Best Practice Guide*. <https://www.thecommonwealth-library.org/index.php/comsec/catalog/view/1076/1074/9548>

undertake the activities needed to identify/ designate the NFV (the GSTDF or a new institution, as decided by the Government of Grenada). Once the NFV is operational, it is recommended that this take the lead role, functioning within the administrative control of the Ministry of Finance.

5.8.2 Lead agency in monitoring implementation of the RMS

Grenada's NCCC, which provides overall guidance and support on climate change activities, was reconstituted in 2022.⁶⁸ The NDC process was driven by a sub-group of this committee. The NCCC has 13 government members and four

subcommittees, on Mitigation; Adaptation; Finance and Sustainable Development; and International Negotiations.

The NCCC is best placed to monitor implementation of the RMS for Grenada, including reviewing the performance of the NFV and providing strategic guidance, etc.

5.8.3 Revision of the RMS

It is recommended that the Ministry of Climate Resilience take steps to revise the RMS every five years, to incorporate any larger changes in the climate finance scenario and governmental priorities.

68 World Wildlife Fund (no date). 'NDC Checklist: Grenada Analysis'. https://wwfint.awsassets.panda.org/downloads/ndcs_we_want_checklist___grenada.pdf (accessed 13 December 2022).

6. Plan for resource mobilisation

6.1 Key components of an initial RMS implementation plan

The RMS implementation plan may cover interventions in a number of key focal areas, as summarised in [Table 6.1](#).

6.2 Overview of phases of resource mobilisation and related activities

The RMS is spread over two phases: Phase 1 (2023–2025) and Phase 2 (2026–2030), as shown in [Table 6.2](#).

Phase 1 (2023–2025) will target mobilisation of grants and concessional long-term loans from the financing and development community. Support for risk mitigation will also be sought from the international community in this phase.

The grant-based support can focus initially on bilateral grants that are available; thereafter multilateral and institutional grants can be sought. Bilateral grants are typically easier and quicker to access.

As discussed earlier, to ensure seamless financing of climate projects, the recommendations on establishing an NFV, undertaking improvements to the PPP framework, exploring carbon markets, etc., can also be taken up in this phase.

In parallel, activities for developing the climate finance market and removing barriers may also be undertaken, to set the stage for further interventions in Phase 2. These activities will include the following:

- Improving the regulatory framework for climate finance earmarked to upskill on key transformational competencies;
- Ensuring access to public finance and grants aligns with Grenada's national targets;
- Improving investor confidence in the market through mechanisms such as guarantees and risk facilities;
- Establishing a co-ordinated risk financing mechanism;

Table 6.1 Key focus areas of RMS implementation plan

Key focus area	Outcome
Institutional changes: establish an NFV under the mandate of the government	Access to a multitude of financing instruments from different sources
Policy and regulatory: update/draft sectoral policies and regulations	Support to Grenada's NAP and NDC targets and financing strategy aligned with climate goals
PPP support: improve the PPP structure and update the PPP Policy of 2014	NDC goals advanced, including through set-up of a public–private dialogue mechanism
Project pipeline: consolidate the pipeline (already in the Sectoral Investment Plan), identify key projects and prepare concept notes (already in progress for some projects)	Consolidated list of projects identified from the NDC, the NAP and the prioritisation document
Finance mobilisation: tap existing country partnerships with GCF and GEF with regard to their grant programmes	Long-term investment programmes with existing partners unlocked
Private sector: develop and implement an engagement strategy for NDC actions	A conducive regulatory framework and incentives for the private sector, such as tax incentives, carbon tax, etc.

Table 6.2 Phases of resource mobilisation and related activities

	Phase 1 (2023–2025)	Phase 2 (2025–2030)
Financing		
Capital provision	Grants	
	Preferential-terms loans	
		Innovation grant, interest subvention to private sector
		Green bonds, debt-for-climate swaps
		Carbon tax and credits
		Senior debt and refinancing
Capital facilitation		Credit enhancement
	Risk mitigation	
Technical assistance and capacity building		
Targeting low capacity	Project TA to developers	
	Policy co-ordination	
		Project structuring assistance
	Project pipeline development and implementation	
		Investor liaisoning
Lowering risk		Due diligence
	Monitoring, reporting and verification (MRV)	
Institutional and policy		
National financing vehicle	Operationalisation and capitalisation	Implementation of projects
Reforms	PPP framework, carbon credit market, carbon taxation	

Source: Reproduced from Islamic Development Bank (2020). *Nationally Determined Contribution (NDC) Partnership Climate Action Enhancement Package (CAEP) – Lebanon: Terms of Reference*.⁶⁹

- Developing a detailed business plan and project pipelines through proposals and concept notes;
- Collaborating with investors and capacity development of national bodies to provide technical assistance; and
- Building national capacity on climate finance and the NDC.

Finally, a comprehensive MRV system will be needed to track climate finance flows and utilisation. This can be taken up by the NFV as soon as it is operational.

Under Phase 2 (2025–2030), once some market barriers related to the regulatory and financial environment have been addressed, the

NFV can deploy a wider range of instruments and expand in scope, allowing implementation of the following:

- Selection and incorporation of foreign entities into the NFV and establishment of formal co-operation;
- Selection of funding sources for additional capitalisation of the NFV;
- Tapping mature instruments such as private equity, long-term commercial debt, climate swaps, etc. to help channel innovative and affordable financing;
- Design and delivery of capacity-building programmes; and
- Identification of key stakeholders to increase technical skills for the deployment of NFV funds.

69 https://devbusiness.un.org/system/files/ToR_Lebanon_LGIF_Resource_Mobilization_Strategy_1.pdf

A wide range of climate financing sources can be accessed. However, the following aspects may be considered as guidance when seeking to mobilising resources:

- Given issues related to availability and ease of implementation, bilateral financing support is preferred, followed by support from multilateral entities and development institutions. Such financing support is mostly in the form of grants and concessional loans/ credit, which will always be preferred over other modes of financing.
- For adaptation projects, the key may be grant-based support, as projects do not have any option for revenue creation, and therefore any non-grant support has the potential to adversely impact governmental finances.
- For infrastructure projects, options for monetisation after commissioning may be explored, such as the issue of green bonds.
- The NFV should ensure it tracks all calls for action and calls for proposals of all financing sources, so that Grenada does not miss out on any opportunities.

6.3 Short-term action plan (2023–2025) – Phase 1

The purpose of establishing a short-term action plan is to prepare the foundation and platform taking into consideration the volume of finance to be mobilised, and to develop an actionable short-term strategy. This will include improving the policy and legislation frameworks; establishing a focal point responsible for co-ordination among various agencies and departments; rolling out fiscal incentives; prioritisation of project preparatory work and pursuing funding for project preparation; and development of an enabling environment for private sector participation and investment. The plan will also be important to action actual project investments in the period, in terms of accessing grant sources and leveraging partnerships for initial projects. Improving the PPP project framework will help in optimising the limited resources available from the government.

It will be key to target bilateral sources in the short term, as such funds tend to be disbursed more quickly and to need fewer customisations. Multilateral funding entails more stringent compliance and standards and usually takes a significant amount of

time to materialise. The Government of Grenada can take advantage of the less cumbersome process of bilateral financing by making direct applications for climate projects that donor countries are interested in funding, since the conditions are usually tailored to country-specific goals.

Setting-up and operationalising the NFV after the initial capitalisation is dependent on factors like sustained political support, regional co-operation, international partnerships and long-term agreements for co-funding. The NFV is to be structured so that a multitude of financial instruments can flow according to the needs of the project pipeline. This will enable access to innovative financing instruments once the market matures.

Table 6.3 presents an action plan for such short-term measures.

Various internal and external sources of support can be mobilised through the NFV as long as there is a clear implementation plan. This is why Phase 1 is so important in starting to pave the way for NFV activities. Resources that can be mobilised include grants, concessional loans, a wide range of commercial financial facilities and equity, as well as technical assistance. Apart from this, it will be important to:

- Prioritise funds and programmes deploying blended finance structures that can lead to the leveraging of additional investments from the private sector;
- Match priority mitigation projects and actions with available funding opportunities based on the funding, ticket size, risk appetite, time horizon, sector/technology and project stage, among others;
- Prioritise project preparatory work and pursue funding for project preparation and development of an enabling environment for private sector participation and investment.

The NFV can pick projects from the list identified in the Sectoral Investment Plan/prioritisation document/NAP for financing.

6.4 Long-term action plan (2026–2030) – Phase 2

The long-term action plan with targets till 2030 will focus entirely on accessing and channelling long-term affordable climate

Table 6.3 Short-term action plan (2023–2025)

Objective	Actions	Primary responsibility	Rationale	KPIs
Improved policy and legislative framework	Update National Energy Policy 2011; develop RE legislation; enforce Waste Management Act 2001; update Non-Biodegradable Waste Control Act 2018	GSWMA, Environment Division, National Transport Commission, ministry responsible for climate	Policy instruments aimed at aligning public finance with national climate targets will help increase public finance for climate actions	Number of policies or laws updated or amended to address climate change-related actions
Development of projects pipelines and business cases for climate finance	Develop sector-specific project pipelines with business cases (leverage NDC Implementation Plan, project prioritisation list and concept notes)	Ministry responsible for climate	Planning documents, such as strategies, project pipelines and roadmaps, will help identify sources and instruments to finance NDC	Number of project concept notes developed
Establishment of NFV	Finalise structure for NFV and operationalise it	Ministry responsible for climate, ministry responsible for finance, NCCC	Establishment of NFV is expected to streamline flow of climate finance, and allow optimum sharing of capacity to access climate finance resources	NFV operationalised
NFV collaboration with international financing and development institutions	Establish formal co-operation with financing and development institutions	NFV, NCCC, ministry responsible for finance	Potential international partners can be identified	Number of international partnerships identified for NFV Number of MoUs or participation agreements signed with international financing and development institutions
Capitalisation of NFV	Arrange flow of funds to NFV for onward funding to climate projects	NFV	NFV needs funds to enable it to support projects	Funding secured for NFV (segregated by type of funding)
Accessing of grants and concessional loans	Arrange access to grant programmes and concessional loans for climate projects	NFV, various line ministries, ministry responsible for finance	Grant-based programmes can be mobilised in the short term	Funding mobilised for climate projects (segregated by grants and concessional loans)

(continued)

Table 6.3 (continued)

Objective	Actions	Primary responsibility	Rationale	KPIs
Fiscal incentives	Introduce tax incentives, carbon credits	Ministry responsible for finance	Will provide climate financing in exchange for emission credits to compensate for residual emissions	Estimated annual tax foregone to support climate projects Carbon credits generated inside the country
Building national capacity in climate finance and NDC	Design and delivery of capacity-building programmes	NCCC, ministry responsible for climate	Strengthen ability of government and departments to interact with international organisations to arrange climate finance	Number of persons trained
Regional co-operation and aggregation	Establish and operationalise investment and operations committees	NCCC, ministry responsible for climate	Aggregation helps in bringing scale that financiers normally look for	Number of regional forums related to climate change that Grenada is part of
Improved PPP framework and PPP project pipeline	Improve the PPP structure and update the PPP Policy of 2014	Ministry responsible for economic development, ministry responsible for law and justice	Optimisation of limited institutional resources of government through private sector involvement	Number of projects awarded on PPP route Estimated investment through PPP
Building partnerships	Improve visibility and engage in communication and partnership-building	NCCC	Leveraging partnership will help get buy-in from donors	Number of partnerships and donors reached
Access to bilateral financing	Tap into PACC 2030, Morocco, Greece, Taiwan, India-UN Development Partnership Fund	NCCC	Serves as a steppingstone or experience-builder to accessing more administratively complex funding such as AF and GCF	Number of partnerships and donors reached
MRV mechanism to track climate finance	Establish a robust MRV system for climate investments	NCCC, ministry responsible for finance, NFV	A robust MRV system can meet the requirements of international agencies	MRV system operationalised

finance from international climate funds to priority mitigation projects. This involves using the NFV to achieve the ultimate financing targets. As the aim of the short-term plan is to create

an enabling environment, the focus of the long-term plan will be to build on those outputs to successfully mobilise resources till the NDC targets are achieved.

Table 6.4 Long-term action plan (2026–2030)

Objective	Actions	Responsibility	Rationale	KPIs
Improved policy and legislation framework (continuation of short-term plan)	Update waste management policy, draft environment and natural resource management act	Respective line ministries responsible for waste management, environment and law	Clear policy will provide guidance and incentives to developers	Number of policies or laws updated or amended to address climate change-related actions
Development of projects pipelines and business cases for climate finance (continuation of short-term plan)	Develop sector-specific project pipelines with business cases (leverage NDC Implementation Plan, project prioritisation list and concept notes)	Ministry responsible for climate	Planning documents, such as strategies, project pipelines and roadmaps, will help identify sources and instruments to finance NDC	Number of project concept notes developed
NFV to collaborate with international financing and development institutions (continuation of short-term plan)	Establish formal co-operation with financing and development institutions	NFV, NCCC, ministry responsible for finance	Potential international partners can be identified	Number of international partnerships identified for NFV Number of MoUs or participation agreements signed with international financing and development institutions
Additional capitalisation of NFV (continuation of short-term plan)	Arrange flow of funds to NFV for onward funding to climate projects	NFV	NFV needs funds to enable it to support projects	Funding secured for NFV (segregated by type of funding)
Access to grants and concessional loans (continuation of short-term plan)	Arrange access to grant programmes and concessional loans for climate projects	NFV, various line ministries, ministry responsible for finance	Grant-based programmes can be mobilised in the short term	Funding mobilised for climate projects (segregated by grants and concessional loans)
Building national capacity in climate finance and NDC (continuation of short-term plan)	Design and deliver capacity building programmes	NCCC, ministry responsible for climate	Strengthen ability of government and departments to interact with international organisations to arrange climate finance and strengthen non-state actors in project management	Number of persons trained

(continued)

Table 6.4 (continued)

Objective	Actions	Responsibility	Rationale	KPIs
Regional co-operation and aggregation (continuation of short-term plan)	Participate in existing forums in the region	NCCCC, ministry responsible for climate	Aggregation helps in bringing scale that financiers normally look for	Number of regional forums related to climate change that Grenada is part of
Updating the PPP project pipeline (continuation of short-term plan)	Update the PPP project pipeline	Ministry responsible for economic development, ministry responsible for law and justice	Optimisation of limited institutional resources of government through private sector involvement	Number of projects awarded on PPP route Estimated investment through PPP
Building partnerships (continuation of short-term plan)	Improve visibility and engage in communication and partnership-building	NCCCC	Leveraging partnership will help get buy-in from donors	Number of partnerships and donors reached
Innovative financing instruments for NFV	Tap innovative and non-conventional instruments such as private equity, long-term commercial debt, green bonds, etc.	NFV	More extensive instruments deployed, gradually building on progress from Phase 1	Investment mobilised through innovative and non-conventional instruments
Risk mitigation and instruments to enhance attractiveness of investments	Project guarantees, insurance and other risk mitigation options	NFV, ministry responsible for finance	Protect investors from various investment risks	Amount of investment covered through insurance/ guarantee schemes

Table 6.4 presents an action plan for long-term measures. Its activities will be continuous and will be adapted as the market landscape in Grenada improves.

6.5 Measurement, reporting and verification

Once the NFV is established, the government may also establish the necessary institutional and IT systems for a comprehensive MRV system to track climate investments. MRV is already considered a critical component through the Grenada Climate Change Policy, to track the measures and also to fulfil UNFCCC reporting requirements.

While earlier sections have mentioned item-wise KPIs for activities, the following additional global KPIs will also have to be tracked:

- Annual carbon emissions in the country (sector-wise);
- Carbon emissions avoided thanks to climate projects;
- Investment mobilised for climate projects (with further segregation by sector, type of funding, etc.);
- Jobs created through climate projects;
- Project-wise financing approved, and actual disbursement; and
- Project-wise implementation progress tracking, etc.

The key components of an MRV framework that Grenada could follow to track its RMS in line with the implementation plan are as follows.

- Institutional set-up: Setting up MRV will require securing the necessary political mandate; however, it is recommended that a legal mandate also be established. Alternatively, the NAP monitoring and evaluation system adopted by the cabinet could be strengthened to include the NDC implementation goals.
- Tracking: The main objective of the MRV system is to continuously track climate mitigation and adaptation measures. It is recommended to adopt KPI-based goal-tracking, following the action plans laid out in [Sections 6.3](#) and [6.4](#). Risk assessments under a common methodology that allow for consistent measurement and comparison should be adopted.
- Reporting: Compliance is necessary with criteria set to national, international and regional standards. [Table 6.5](#) outlines the goals that need to be reported.

Table 6.5 Reporting template

Goals to be reported	Baseline	Target
Amount of climate finance mobilised	2022 levels	>US\$1 billion
Forms of finance (grants, concessional lending, equity, guarantees, etc.)	-	-
Purpose of support (mitigation/adaptation)	2022 levels	Mitigation: US\$1 billion Adaptation: US\$260 million (to be updated based on revised NAP)
Distribution of support across sectors	2022 levels	Investment identified in focus mitigation and adaptation sectors
Private finance leveraged	2022 levels	US\$ 400 million (approximate, to be based on understanding through NFV and government decision)
Comparison with donors' pledged and actually disbursed amount of support	-	100%

6.6 Communications plan

The NFV will also have to take on the task of communicating the climate finance priorities of the Government of Grenada, the type of projects that need funding, the available financing sources, etc. Such communications will have three types of audience: external (international institutions and developers), internal (respective government departments) and citizens.

Another key aspect is the organisation of climate investment roadshows and roundtables on

international platforms, with a focus on Grenada as an attractive climate finance destination.

Meanwhile, the current Climate Finance Portal of the Government of Grenada (climatefinance.gov.gd) could be updated to reflect the latest priorities and strategy of the government, and areas in which climate finance is being sought. Alternatively, the new NDC/climate portal (climateaction.gdss) can be linked into the above purpose. [Table 6.6](#) outlines the key actions required for improving communications related to resource mobilisation.

Table 6.6 Key actions to improve communications

Objective	Actions	Responsibility
Showcase Grenada as an attractive destination for climate finance	<ul style="list-style-type: none"> • Organise roadshows on the sidelines of global/multilateral events • Publish short notes and brochures on climate financing needs, and the ease of interacting with a single entity (NFV) to channel climate finance to the country • Provide all relevant details on a common website 	NFV, under the guidance of ministry responsible for climate
Disseminate details of available climate finance and capacity-building opportunities	<ul style="list-style-type: none"> • Disseminate details through a common website • Issue short notes to government departments • Undertake sensitisation workshop for government departments 	NFV
Incorporate the voice of citizens	<ul style="list-style-type: none"> • Facilitate two-way communication with citizens • Disseminate climate finance initiatives and their progress through website, newspaper advertisements, etc. • Invite feedback from citizens on ongoing climate finance initiatives, and incorporate these to improve performance 	NFV

7. Way forward

The RMS includes key strategy components and describes how these facilitate improved and streamlined climate finance mobilisation. It also explains how it interacts with the existing NDC Implementation Plan and the Sectoral Investment Plan, etc. The RMS further discusses the phasing of resource mobilisation and the type of financing support to be mobilised at each stage.

Figure 7.1 presents the envisaged scenario for implementation of the RMS.

Table 7.1 presents the potential sequence of activities, to clarify how climate projects will be financed within the framework of the RMS.

In order to proceed with implementation of RMS, the Government of Grenada will need to decide the following policy matters:

- Make a choice on identification/creation of the NFV: One option will be to leverage the GSTDF and enhance its capacity to function as an NFV. The other option is to build a new NFV, leveraging the expertise of existing entities such as the GSTDF and the Ministry of Climate Resilience.
- Decide on an institutional framework for the NFV, to comply with existing laws and policies related to the mobilisation of finance, while ensuring administrative control by the Ministry of Finance of the NFV.

- Identify the lead agency for implementation of the RMS: Initially, the Ministry of Finance and the Ministry of Climate Resilience could jointly take on the lead role, undertaking activities related to the identification/designation of the NFV. Once the NFV is operational, it is recommended that this take the lead role on implementation of the RMS, under the administrative control of the Ministry of Finance. However, the government could decide on an alternative entity.
- Identify a lead agency to monitor implementation of the RMS: The RMS proposes that the NCCC carry out MRV, though the government may decide on an alternative entity.

Once these matters are resolved, the NFV can start operating, and it will be up to the NFV to propose a more detailed implementation plan to undertake its activities as envisaged in the RMS. Further, the RMS recognises the dynamic nature of climate finance, and proposes revision of the RMS once every five years at least. While the Government of Grenada has done a commendable job on raising climate finance so far, the RMS and its implementation components are expected to guide the country further towards the path of mobilisation of up to US\$1 billion to aid in the implementation of the NDC and the NAP.

Figure 7.1 Envisaged scenario post-RMS implementation

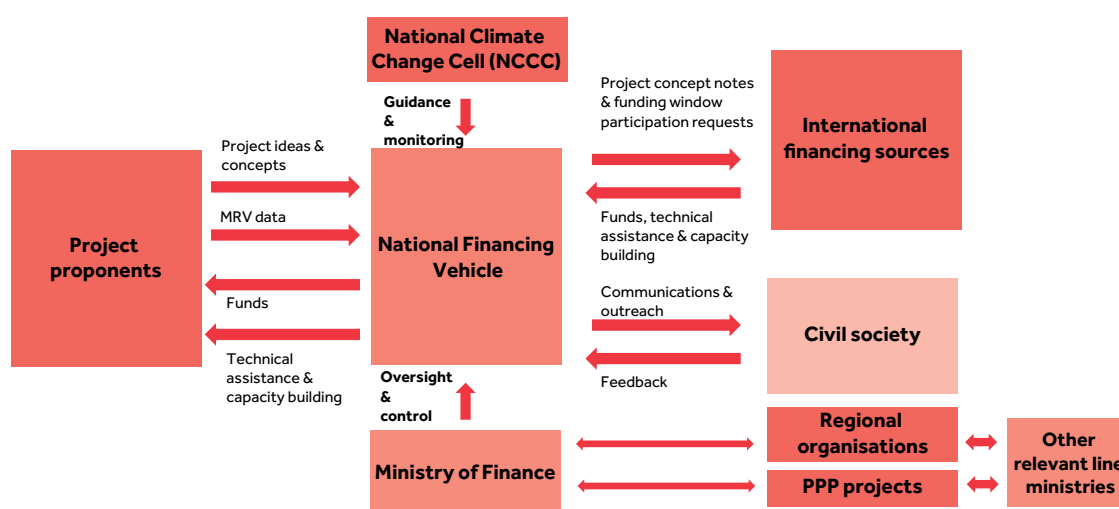


Table 7.1 Potential sequence of key activities for RMS implementation

Activities	Timeframe
1 RMS recommendations adopted and implemented.	Immediate
2 Institutional provisions related to RMS put in place (identification/set-up of NFV, NCCC put in charge of overseeing RMS implementation, etc.).	2023
3 Project proponents (government departments) forward project concept notes to NFV, having picked projects from NDC Sectoral Investment Plan, NAP and MTAP. Should project proponents have multiple project requirements, they can indicate priority as per their own needs and/or rely on prioritisation document.	2024–2030
4 In case project proponents do not have capability to develop project concept notes, or if ready-made concept notes are not available, project proponents may seek technical assistance through NFV to develop concept notes based on their NDC, NAP and MTAP requirements.	2024–2030
5 NFV to propose the most suited set of financing sources for the submitted project concept notes and facilitate interactions between financing sources and project proponents.	2024–2030
6 NFV to evaluate need for blended financing, innovative financing or PPP in case reviewed project concept notes cannot be implemented through conventional grant financing, owing to availability or other issues.	2024–2030
7 NFV to serve as channel for actual grant, loan or other form of assistance.	2024–2030
8 Ministry of Finance to serve as ultimate administrative authority on NFV. NCCC to provide guidance to NFV on its activities and to suggest implementation measures in line with RMS.	2023–2030
9 NFV, in co-ordination with project proponents and government, to run communication campaigns on climate projects and financing needs.	2024–2030
10 NFV, in co-ordination with project proponents and government, to facilitate training and capacity-building for government officials.	2024–2030
11 NFV to undertake MRV of climate finance received by country and submit results to Ministry of Finance for review. Feedback from citizens and government to be used to improve functioning of NFV and projects.	2024–2030
12 Government to leverage regional partnerships for enhanced access to climate finance.	2023–2030

Annex 1: Logical framework for activities related to resource mobilisation

Table A1.1 presents a log-frame for activities related to resource mobilisation, which the NFV and the government can use to learn more about how the RMS and its proposed implementation components ultimately contribute to resource mobilisation for climate financing.

Table A1.1 Logical framework for activities related to resource mobilisation

Narrative summary	Indicators	Data source	Assumptions
Goal			
Mobilise financial resources of up to US\$1 billion by 2030 for climate-related projects in Grenada	Amount of resource mobilisation for climate-related projects	Ministry of Finance and NFV	Resource mobilisation for NDC and NAP implementation is US\$1 billion by 2030
Outcomes			
Climate-related projects in Grenada obtain easier and streamlined access to funding through NFV	Amount mobilised for climate-related projects by NFV	NFV	-
Institutional stakeholders able to substantially improve their capacity to undertake activities related to climate financing	-	Government of Grenada (Ministry of Climate Resilience)	-
Private investors able to participate in PPP opportunities under a clear PPP regime including fair risk-sharing	Amount of climate project financing undertaken under PPP route	Government of Grenada (Ministry of Finance)	-
Outputs			
NFV able to provide financing support under various models – facilitation, onward lending, blended financing, etc.	Amount mobilised for climate-related projects by NFV, other than through Climate Financing Fund	NFV	-
NFV able to set up a generic Climate Financing Fund for smaller projects that would otherwise find it difficult to meet size requirements of international financing sources	Amount mobilised for climate-related projects by NFV, through Climate Financing Fund	NFV	-

(continued)

Table A1.1 (continued)

Narrative summary	Indicators	Data source	Assumptions
Community stakeholders, civil society and other citizens provided with productive access to multiple channels for feedback on implementation of climate projects	Number of comments/ suggestions received from various stakeholders through multiple channels, and status of their resolution	NFV	-
Environment for PPP projects improved, and PPP project pipeline developed for implementation		Ministry of Finance	-
Activities			
NFV develops external linkages – relationships with external financing agencies and sources	Number of external organisations with which NFV has signed Letter of Cooperation, MoU or similar document	NFV	-
NFV develops internal linkages – with relevant ministries and departments in Grenada, to ensure participation and co-ordination in climate financing-related matters	Number of internal organisations with which NFV has signed Letter of Cooperation, MoU or similar document	NFV	-
NFV publishes periodic summary of services it provides and list of potential financing sources for different types of projects	Number of service summary and investment assistance publications released in a year	NFV	-
NFV develops templates for project concepts that government departments can utilise to submit financing requests to NFV	Number of project concept templates issued by NFV	NFV	-
NFV tracks funding windows and funding rounds of international financing institutions and related sources, and invites domestic participants for project concepts for participation	Number and amount of funding opportunities identified in a year, in case of funds/ financing sources that are available only for select periods	NFV	-
For financing institutions that provide financing only for dedicated projects, NFV facilitates the availability of financing	Number of projects and amount of financing facilitated by NFV	NFV	-

(continued)

Table A1.1 (continued)

Narrative summary	Indicators	Data source	Assumptions
For financing institutions that provide funds for onward financing, NFV acts as country focal point, and accesses financing as per requirements and specifications of financing institution	Number of projects supported and amount of financing provided as onward lending/ onward grants by NFV	NFV	-
For financing institutions that provide funds for onward financing, NFV may choose to offer blended financing for priority projects	Number of projects supported and amount of financing provided as blended financing by NFV	NFV	-
NFV to also have a generic Climate Financing Fund within it, to finance smaller projects	Number of projects supported and amount of financing provided through NFV's Climate Financing Fund	NFV	-
NFV to infuse capital to its Climate Financing Fund using international donors	Amount of capital commitments received for Climate Financing Fund Actual amount received by Climate Financing Fund	NFV	-
NFV to explore bilateral financing for infusing capital to Climate Financing Fund	Amount of capital commitments received for Climate Financing Fund from bilateral sources Actual amount received by Climate Financing Fund from bilateral sources	NFV	-
NFV to prepare criteria for accessing financing from Climate Financing Fund	-	NFV	-
NFV to pilot and pioneer adoption of innovative financing instruments	Amount of investment mobilised or capital raised through innovative financing models	NFV	-
NFV to facilitate MRV feedback loop back to financing institutions	-	NFV	-

(continued)

Table A1.1 (continued)

Narrative summary	Indicators	Data source	Assumptions
NFV to undertake training programmes for capacity-building for government departments at various levels	Number of training programmes undertaken	NFV	-
NFV to interact and co-ordinate with similar institutions in the Caribbean region	-	NFV	Subject to government approval for such interactions, if required by law
NFV to offer a feedback loop to local communities and civil society, to voice their concerns and address them	Number of comments/ suggestions received from various stakeholders through multiple channels, and status of resolution	NFV	-
Government to undertake PPP reforms to improve investor attractiveness for PPP projects	-	-	-
Government to identify PPP project pipeline (using Sectoral Investment Plan as a base) and commence selection of private partners for their implementation, through competitive processes	Size of PPP project pipeline	Ministry of Finance	-
Government to monitor performance of NFV and offer it corrective measures and/or guidance as and when required	-	-	-
Government to keep track of large climate projects for which financing was arranged outside NFV	Amount of financing for climate projects secured outside support of NFV	Ministry of Finance	-

Annex 2: Summary of stakeholder consultations undertaken on the RMS

List of stakeholders consulted

Table A2.1 List of stakeholders consulted through one-to-one interactions

Type of organisation	Name of organisation
Domestic and regional financing institutions	Caribbean Biodiversity Fund
	Republic Bank
	Grenada Cooperative Development Bank
Domestic and regional RE investors and developers	WWFJA
	Gearing up limited
	William Solar
	Resscott
Government of Grenada	NAWASA
	PS Merina Jessamy*
International development partners and think-tanks	GEF
	NDC Partnership
	UNFCCC Regional Centre for the Caribbean
	GGGI
	World Bank
	Climate Investment Fund
	IRENA

Note: * Interaction during stakeholder validation workshop.

Summary of one-to-one stakeholder consultations

A summary of the perspectives offered by various stakeholders is presented below.

Government representatives and departments

- It is quite difficult for each of the individual government departments to build capacity on their own to raise financing for climate projects, and to manage such projects. A central entity dedicated to this will help in improving the overall process.
- The primary expectation from the international community is grants. However, for some government departments, access to commercial financing is also an option.

Development partners, international financing institutions and think-tanks

- There is no dearth of funding available through various sources. However, countries will need to appoint a focal person who can interact regularly with these institutions.

- As a lot of financing organisations operate through expressions of interest and calls for proposal; these will need to be tracked on a regular basis.
- A few of the funds/projects have elements that support private sector investments, including potential financing support to private sector partners.
- Capacity-building for government departments is crucial so they can meet the requirements for managing climate projects.

Regional/domestic financing institutions

- The domestic financial market is mature enough to support project finance-based funding arrangements, provided the project agreement with the government is of long term with proper risk-sharing.
- In the future, innovative instruments such as green bonds can also be thought of.

RE developers and contractors

- The Caribbean market is driven primarily by governments and C&I consumers. Projects with government are typically restricted to engineering, procurement and construction, as governments or departments usually own such projects. In the C&I sector there is considerable activity.
- There are also private equity-based financing models being deployed for C&I RE projects.
- RE developers and contractors in the region are keen to explore expanding their market, including to cover countries such as Grenada.

Comments received during stakeholder validation workshops

Identification and role of NFV

Permanent Secretary Merina Jessamy stated that the decision on whether Grenada needed a new entity to be developed as the NFV, or if an existing institutional structure such as the GSDTF could be scaled up, would ultimately be decided at the political level. The GSDTF already has a wide representation of stakeholders in its operations. She further noted that there would also be legal aspects to consider. As per the existing legal framework, the ultimate responsibility for managing finances lies with the Ministry of Finance, which should also control and monitor any NFV. Public expenditure on climate projects goes through a very streamlined process involving multiple competent authorities and ministries.

Role of NCCC

Permanent Secretary Merina Jessamy stated that the NCCC could serve an advisory role in relation to climate financing, though it may not be able to oversee at an operational level. She noted that the Government of Grenada had recently reconstituted the NCCC and expanded its membership. The NCCC has a secretariat and separate working groups on adaptation, mitigation, finance and development, and international co-operation, each headed by a chair.

Role of regional collaboration

Permanent Secretary Merina Jessamy clarified that Grenada was very open to regional collaboration on climate finance-related issues, and noted that there had already been such regional collaboration in the past.

PPP initiatives

Larry Lawrence, Managing Director of Grenada Co-operative Bank, noted that showcasing of examples or success stories of PPP initiatives and private sector involvement in climate finance projects would be helpful. Rajneesh Sharma spoke of the successful PPP experience of Maldives rooftop solar, supported by the Asian Development Bank. He also referred to the success of private sector RE projects in Jamaica, Tonga, etc.

Identification of adaptation projects and integrated climate change adaptation strategy projects

Helene Gichenje, Commonwealth Regional Advisor (Africa), commented on the need to identify adaptation needs by looking at the NAP, and their resource mobilisation requirements, and thereafter to incorporate them in the RMS. She also suggested elaborating in the report on whether all resources would necessarily flow only through the NFV.

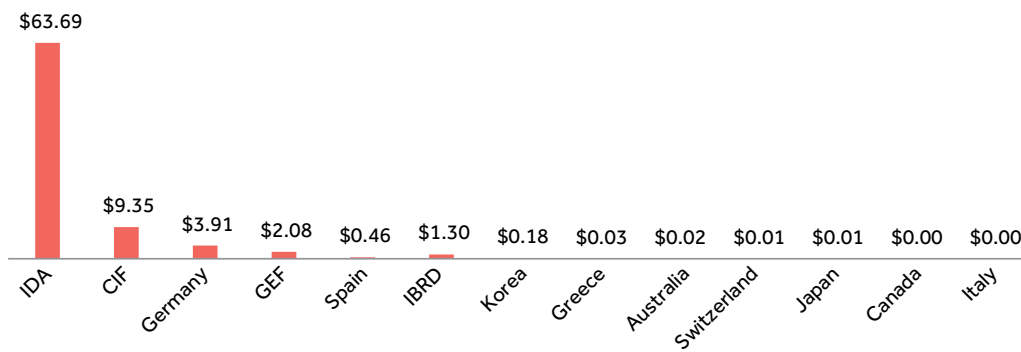
Other comments and suggestions

Grenada had a project called the Integrated Climate Change Adaptation Strategy, implemented through the German development agency and UNDP. Outcomes drove a new project on Enhanced Direct Access, funded by GCF. A Climate Change Community Fund was proposed as part of these projects, similar to Antigua's SIRF Fund. Merina Jessamy, the Permanent Secretary of Climate Resilience, advised referring to that model as part of resource mobilisation.

Annex 3: Overall development finance allocated to Grenada for climate change

Figure A3.1 shows overall development finance allocated to Grenada from different sources over the years 2002–2020. The funding agencies include IDA, the Climate Investment Funds (CIF), GEF and the International Bank for Reconstruction and Development (IBRD).

Figure A3.1 Overall development finance to Grenada for climate change (US\$ million)



Source: Aid Atlas (no date). 'Detailed Profile for All Donors to Grenada for Climate Change (total) during 2002–2020'.⁷⁰

⁷⁰ https://aid-atlas.org/profile/all/grenada/climate-change-total/2002-2020?usdType=usd_commitment (accessed 20 December 2022).

Annex 4: Summary of Sectoral Investment Plan for NDC implementation

The Sectoral Investment Plan goes beyond the output-activity framework of the NDC Implementation Plan to the level of project areas, by the key sectors of energy, transport, waste and forestry.

Table A4.1 Sectoral Investment Plan 2022–2032 focus areas

Sectors	Focus area	Investment (US\$)
Energy	National Energy Policy updated to include more RE and energy efficiency	\$230.58
	RE legislation developed	
	Energy efficiency legislation developed and efficiency standards in government buildings, streets and homes implemented	
	Policy and legal frameworks for attracting private sector investments to scale RE strengthened	
	Sectoral RE initiatives implemented (geothermal, solar, wind, waste to energy, ocean thermal energy conversion)	
	Energy efficiency measures implemented	
	Financial incentives for low-carbon energy and energy efficiency considered and implemented as appropriate, including moderately scaled carbon tax and feebate	
	Comprehensive data collection and management system established for RE and energy efficiency	
	National institutions strengthened and effective in energy management and audit	
Transport	Fuel efficiency standards established and enforced	\$384.62
	Sustainable and climate-resilient transport policy and investment plan	
	Investment in sustainable transportation options and infrastructure	
	Inventory and mapping of climate-resilient public infrastructure built/developed (roads) based on climate and disaster risk actions	
	Vehicle feebate with implicit CO ₂ price (rising over time) introduced	
	Comprehensive data collection and management system established for tracking GHG emissions and user data for transport sector	
	Strengthened human and institutional capacity for implementation	
	Public awareness-raising campaign designed and carried out for sustainable modes of transportation	
	Shared understanding of feasible and sustainable SIDS transport options	

(continued)

Table A4.1 (continued)

Sectors	Focus area	Investment (US\$)
Waste	Waste Management Policy updated to cover climate change	\$21.4
	Five-year Waste Management Strategy reviewed and implemented	
	Legislation and regulation reviewed and amended as appropriate	
	Waste characterisation study including calorific factor, moisture content and seasonal variation	
	Waste management equipment fleet updated with more sustainable alternatives	
	Closure of non-sanitary landfills and new landfill location study completed, new capacity identified and invested in	
	Waste converted to energy	
	Sewage treatment system invested in and enhanced	
	Comprehensive data collection and management system established for waste	
	Waste reduction strategies scaled up, including through public awareness	
	Alternatives to final disposal identified, including assessment of potential of shipping to recycling markets	
	Additional projects	
	Tire recycling	
	Basel, Rotterdam, Stockholm and Minamata Conventions: develop framework for the collection of data, and reporting and monitoring of hazardous waste and chemicals	
United Kingdom Caribbean Infrastructure Partnership Fund water supply and improvement project		
Mirabeau Hospital wastewater treatment and recycling project		
Forestry	Protected area legislation reviewed and updated and climate change considerations incorporated	\$11.78
	Forest regeneration and afforestation strategies and programme developed and implemented to create sustainable use of natural resources	
	Nationwide agroforestry programme developed and implemented	
	Nationwide vegetation management plan developed and implemented	
	Protected areas programme expanded and effective management infrastructure for protected areas established	
	Comprehensive data management system developed for forestry and protected areas	
	National capacity strengthened in the area of afforestation, reforestation and protected areas	
	Knowledge exchange on afforestation, reforestation and protected areas	
Total amount required for Sectoral Investment Plan		\$648.37

Annex 5: Summary of National Adaptation Plan

The objective of Grenada's NAP is to provide a strategic, co-ordinating framework for building climate resilience, recognising the need to develop the enabling environment for climate change adaptation as well as programmatic priorities.⁷¹

Grenada's NAP covers five years (2017-2021). With different multi-sectoral programmes of action, it is an umbrella document, based mainly on prioritised adaptation activities taken from existing sectoral and local area plans developed through larger consultative processes in the preceding months and years. The NAP will be updated regularly to provide strategic and programmatic guidance in Grenada's adaptation process. Its vision is of a resilient nation that continuously adapts to climate change by reducing its vulnerability through comprehensive adaptation strategies. The document includes 12 programmes, 14 goals and 20 indicators. [Table A5.1](#) presents the programmes and fund allocations in the NAP.

Table A5.1 Programmes associated with the National Adaptation Plan 2017–2021

Programme	Goal	Fund (US\$)
Institutional arrangements, inter-sectoral co-ordination and participation	Institutional structure to support co-ordination, integration and implementation of climate change adaptation action strengthened	\$335k
Systematic integration of adaptation into development policies, plans, programmes, projects, budgets and processes	Systematic integration of adaptation into development policies, plans, programmes, projects, budgets and processes	\$650k
Water availability	Climate-responsive water governance structure established	\$50,200k
Food security	Base laid for food availability, stability, access and safety amid increasing climate change risks	\$46,000k
Ecosystem resilience	Improved management and conservation of protected areas and other key ecosystems	\$26,600k
Integrated coastal zone management	Institutional, professional and technical capacity for integrated coastal zone management built	\$15,000k
Resilient infrastructure and sustainable land management	Selected infrastructure planned, designed, located and maintained to be resilient to climate change, including increasingly extreme weather events; land managed sustainably	\$112,900k
Disaster risk reduction and disease prevention	Funding mobilised for actions to reduce risks posed by extreme weather events as part of NaDMA's Country Programme 2014–2019; climate-sensitive disease surveillance and control established	\$180k

(continued)

71 Government of Grenada (2017). *National Climate Change Adaptation Plan (NAP)*. https://www4.unfccc.int/sites/NAPC/Documents/Parties/Grenada_National%20Adaptation%20Plan_%202017-2021.pdf

Table A5.1 (continued)

Programme	Goal	Fund (US\$)
Climate and sea-level rise data and projections	Strengthened institutional arrangements for collection, analysis and provision of climate-related data for use in decision-making	\$7,000k
Sustained public education and participation	Informed public that will demand and support public policies aimed at building national resilience to climate change	\$1,700k
Adaptation financing	Successful applications ensure external climate finance support to Grenada's adaptation process	\$1,400k
Monitoring and evaluation	Implementation of NAP measures documented	\$170k
	Total	\$262,135k

Annex 6: Role of the NDC Partnership and the Commonwealth Secretariat

This Resource Mobilisation Strategy for Grenada's NDC implementation was prepared by the Commonwealth Climate Finance Access Hub, as part of the Partnership Action Fund of the NDC Partnership.

The Commonwealth Secretariat is a member and implementing partner of the NDC Partnership, which is an organisation that is open to countries and international institutions that are committed to the ambitious implementation of NDCs and the SDGs.

The NDC Partnership works directly with countries to fast-track climate and development action through a number of approaches covering country engagement, knowledge- and information-sharing, and access to finance, including through its Partnership Action Fund (PAF), launched in 2021 November at the 26th Conference of the Parties. The PAF is the funding mechanism of the NDC Partnership's 2021–2025 Work Programme. It seeks to support developing country members in fast-tracking the implementation of their NDCs and bridging gaps in support. It ensures countries have better access to technical and financial resources, and that the widest possible range of the Partnership members can respond rapidly to the needs of developing country members.

As a country member of the NDC Partnership, the Government of Grenada requested PAF support for the development of an RMS for its NDC Implementation Plan, and of investment-ready concept notes. The Commonwealth Secretariat responded to this PAF request from Grenada and agreed to provide technical assistance through the Commonwealth Climate Finance Access Hub (CCFAH). The CCFAH supports member countries in accessing international and regional sources of climate finance from both the public and the private sector to meet their priority adaptation and mitigation needs and realise their sustainable development agendas. This RMS was thus developed under such assistance provided by the CCFAH under the NDC PAF mechanism.

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