



CLIMATE CHANGE  
**grenadapts**



# QUICK INPUT - LINKING NAPS AND FINANCE FOR IMPLEMENTATION

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Event: “NAP Global Network Targeted Topics Forum”,  
Kingston, 15<sup>th</sup> March 2016

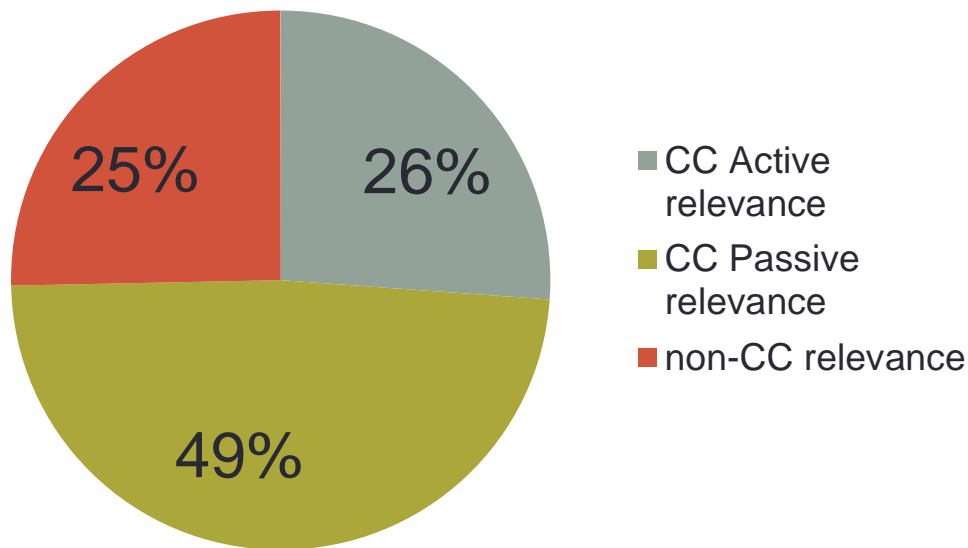
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# Grenada's Climate Change Profile

- Temperature increase by 0.7 to 2.6°C by the 2060s, 1.1 to 4.3 degrees by the 2090s
- Decrease in annual rainfall (up to 21% by 2090)
- Changes in the frequency, intensity, spatial extent, duration, and timing of extreme weather events
- Increases in the frequency of days and nights that are considered 'hot'
- Sea level rise (conservative estimates: up to 50cm by 2090)
- Distinction between the dry and wet seasons may be reduced
- Change of ocean surface temperature



# Grenada's budget review (2016)



*Figure 1: Climate Change Public Expenditure Review for the Capital Budget 2016.*

1. Climate change is likely to have no relevance for just over a quarter of the capital budget
2. Almost half of Grenada's budget for capital projects in 2016 is at risk!
3. Just over a quarter of the capital budget could be considered a safe investment

# NAP: Striking the balance...

*A process that guides a country efforts in climate-resilient development (internal)*

Versus

*A “fund-raising” document (external)*

**For us, the answer lies in between: A NAP is both, especially for a SIDS where the majority of the adaptation costs has to come from external sources, while at the same time climate change poses such an existential threat that domestic resources will have to be included. Also, external funding is less predictable (who funds what, how much and when?). But we need to act now!**

## Linking Finance and NAP - First thoughts (I)

- The NAP should demonstrate to development partners that Grenada is willing to use domestic resources where it can.
- An ideal split of domestic vs. external spending on NAP implementation could be 30/70. However it is acknowledged that this will be difficult to commit to given the current fiscal crisis (little domestic financial resources available for adaptation)
- Domestic spending could cover administrative support, activities relating to Environmental and Social safeguards, stakeholder consultation, institutional capacity building, operational expenditure and any other in kind/ cash co-financing requirements from development partners
- It would be unwise to assign costs to proposed measures without using a robust process as there is a risk that costs are retained through project funding applications and are later insufficient to deliver a successful project on the ground

## Linking Finance and NAP - First thoughts (II)

- The NAP should be structured in such a way that it 'speaks to' its proposed domestic implementers (i.e. it follows their 'sectoral' approach) and has clear ownership. This will ensure integration of NAP measures into Corporate Plans and the domestic budget

→ currently discussed in Grenada: Make implementation of a few selected sectoral NAP actions a criteria for the Performance Agreement of Permanent Secretary (also a NAP mainstreaming mechanism)

**Logic: Once it is in the Corporate Plans, it goes into the work plan and it is then linked to domestic budget! If it is not in the corporate plan/work plan, there will be no money!**

## Linking Finance and NAP - First thoughts (III)

- The NAP should present a table of potential funding sources
- Donor/ development partner coordination regarding adaptation finance should be improved
- Greater cooperation between sectoral Ministries in terms of accessing finance, such that synergies are identified and opportunities to co-develop multi-sectoral projects are explored
- Project pipeline development + a need for an entity to monitor Grenada's adaptation project pipeline and ensure it is being used to attract finance
- Costing of adaptation measures is available for a few (donor-funded) sectoral/community adaptation plans. These should be utilised where possible in the NAP



## Linking Finance and NAP - First thoughts (IV)

- How to engage the private sector in adaptation and finance?
- (Human) resources for pipeline development? Also needs to become a part of work plans!
- What domestic mechanisms are available to ensure climate finance reaches the community level (e.g. community funds etc.)

**Grenada's NAP will have a dedicated section on “NAP Finance Strategy” (very first draft available)**



# Domestic sources/resources

- Local grant facilities – distribution of donor funding to community groups
  - GEF small grants
  - Soft loans
  - PCU, NGOs
  - NCCC
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- Sustainable financing mechanism for new projects
  - Public finance management act: mandates financial Feasibility studies and economic impacts studies, social impact assessments where applicable, internal investment studies prior to approval in the budget

# International sources

- Green climate fund
- Multilateral partners eg. commonwealth green facility and caribbean biodiversity fund, European Union
- Bilateral donors – UK, Germany, USA, Canada

# Private sector involvement

- Show them the benefits of adaptation
- Help identify the benefits to protecting the investments
- Identify line of credit
- Examples:
- Hotels – salt water desalination, rain water harvesting and water conservation measures (already resulting in great savings)
- Local breweries – waste to energy projects



**THANK YOU FOR YOUR  
ATTENTION!**

**If you have any questions or comments,  
please do not hesitate to contact us!**

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