

TC Document

Project design of the Investment Proposal for the Caribbean Regional SPCR - Caribbean PPCR Phase II

I. Basic Information

- Country/Region: Caribbean Region
- TC Name: Project design of the Investment Proposal for the Caribbean Regional SPCR - Caribbean PPCR Phase II
- TC Number: RG-T2228
- Associated Loan/Guarantee Name: n/a
- Associated Loan/Guarantee Number: n/a
- Team Leader/Members: Team Leader: Gerard Alleng (INE/CCS); Team members: Sara Valero (INE/CCS), Cassandra Rogers (RND/CBA), Alejandro Deeb (INE/CCS), Ayatima Hernandez (INE/CCS); Paloma Marcos (SCL/GDI); Elizabeth Ayala (CID/CBL); Javier Jimenez (LEG/SGO) and Paula Louis-Grant (FMP/CBA)
- Date of TC Abstract authorization: August 17th 2012
- Donors providing funding: Strategic Climate Fund – SCX
- Beneficiary: Caribbean Community Climate Change Center (CCCCC)
- Executing Agency and contact name: Caribbean Community Climate Change Center (CCCCC) Dr. Kenrick Leslie, Executive Director
- IDB Funding Requested: 150,000.00 USD
- Local counterpart funding, if any: 30,000. USD (in kind)
- Disbursement period (which includes Execution period): 16 months
- Required start date: October 1st 2012
- Types of consultants: Individuals and/or firms.
- Prepared by Unit: INE/CCS
- Unit of Disbursement Responsibility: CBL
- TC Included in Country Strategy (y/n): No
- TC included in CPD (y/n): No
- GCI-9 Sector Priority: Protection to the environment and climate change mitigation.

II. Description of the Associated Loan/Guarantee

The Pilot Program for Climate Resilience (PPCR), approved in November 2008, was the first program to become operational under the Strategic Climate Fund (SCF), one of two Climate Investment Funds (CIFs). The PPCR is executed globally through a number of regional and national programs and is intended to:

- Pilot and demonstrate approaches for integration of climate risk and resilience into development policies and planning;
- Support the strengthening of capacities at the national levels to integrate climate resilience into development planning;
- Scale up and leverage climate resilient investment, especially by building on other ongoing initiatives;
- Enable learning by doing and lesson sharing at the country, regional and global levels;
- Strengthen cooperation and capacity at the regional level to integrate climate resilience in national and appropriate regional development planning and processes.

PPCR execution is done in two phases, with the first being generally less than one year's duration over which a multi-year strategic program for climate resilience (SPCR) and relevant investment plan is designed. Once endorsed by the PPCR Sub-Committee, this SPCR is implemented (through the execution of the investment plan) over the second phase, which is anticipated to be four to five year duration for each of the participating countries and regions. In the case of the Caribbean Region, six

countries accepted an invitation to participate as part of a regional PPCR in May 2009. The Caribbean PPCR is designed into a national track with pilots in each of these countries, and a regional track¹. The activities of the regional track will have both direct benefits to PPCR countries and indirect benefits to non-PPCR countries in the Caribbean. It is expected that the lessons learnt under the PPCR will be shared with all countries. First phase activities for the design of the SPCR have been completed for five of the six national track pilots and for the regional track pilot². [The Caribbean Regional SPCR](#) and associated Investment Plan were presented and endorsed at the last PPCR Sub-Committee that took place in Washington DC on April 30th 2012.

III. Objectives and Justification of the TC

The objective of this TC is to prepare the detailed Investment Proposal (IP) of the regional track of the Caribbean PPCR as outlined in the Caribbean Regional SPCR, which includes details on the design, costing and management of the four (4) components as defined in the Investment Plan.

The key challenges relating to vulnerability to climate change in the Caribbean include (i) continued deficit of climate related baseline data to enable effective risk and hazard analysis and planning for resilience through adaptation to climate change; (ii) gaps in the regional climate monitoring system and unclear protocols for the exchange of and continued access to climate relevant data between and among national and regional agencies and users; (iii) a need to downscale global models of climate change impacts to ensure clarity in how Caribbean States would be affected and so inform the planning and decision-making processes; and (iv) a need to better understand climate change implications for priority sectors such as agriculture, fisheries, health and water, as well as the adaptation options applicable to these sectors. In order to address these issues, the Caribbean Regional SPCR has been designed with the following areas of intervention (i) data availability and analysis; (ii) data exchange, storage and access; (iii) modeling climate change and impacts and (iv) identifying, up-scaling and replicating adaptation measures in key sectors. These areas will be addressed through the various components under the detailed Investment Proposal (IP) to be developed through this TC:

- a. Improving Geospatial Data and Management for Adaptation Planning, Sea Level Rise and Storm Surge Impact Analysis;
- b. Consolidating and Expanding the Regional Climate Monitoring Network and Global Platform Linkages;
- c. Downscaling and Expanding Climate Projection Models and High Resolution Maps; and
- d. Applied Adaptation Initiatives

The expected outcomes from the implementation of the SPCR are (i) Improved regional process of data acquisition, storage and analysis to enable effective response to climate change; (ii) Scaled up innovative climate resilience initiative; and (iii) Replication of PPCR initiatives in non-PPCR countries.

The IP under the Caribbean Regional SPCR also seeks to complement ongoing programs in the region such as:

- European Union Global Climate Change Alliance (EU-GCCA) initiative for CARIFORUM countries (CARICOM Countries plus Dominican Republic)
- United States Agency for International Development (USAID): Support for institutional strengthening for climate change adaptation

¹ Caribbean pilot countries are (i) Jamaica (ii) Haiti (iii) Saint Lucia (iv) Saint Vincent and the Grenadines (v) Grenada and (vi) The Commonwealth of Dominica.

² National track SPCRs have been endorsed for Grenada, Saint Vincent and the Grenadines, Saint Lucia, Jamaica and for the Caribbean Region

- Climate Development and Knowledge Network (CDKN): Support for the development of a Risk Management Framework to enhance climate compatible development in the Caribbean
- Caribbean Development Bank (CDB): The support to the Centre in developing a suite of climate-related investment proposals
- Department for International Development (DFID)/CDB/CCCCC Caribbean Regional Resilience Development Implementation Plan Project that is implementing actions within the Implementation Plan
- IDB: Database Management System project to enhance connectivity of climate relevant data systems

IV. Description of activities/components and budget

- 4.1 The main component of the TC is the preparation of the detailed Investment Proposal, including supporting activities required for its development. The IP is to be prepared for presentation to PPCR sub-committee and the Board of Directors of the IDB for their approval.

Component 1: Preparation of the Investment Proposal

The preparation of the IP will involve the development of the detailed costing of the component, baselines, targets, monitoring indicators and results matrix, implementation schedule, preparation of a procurement plan and disbursement schedule, and governance arrangements of the activities under the four components of the Investment Plan of the SPCR.

- 4.2 The following activities will be inputs in the preparation of the IP:

Activity 1: Development of a market study for private sector involvement in the Caribbean PPCR - This work will complement an ongoing market study being performed by Castalia on behalf of the International Finance Corporation (IFC). Therefore focus will be on, inter alia:

- The identification of on-lending opportunities for local and/or regional financial institutions to help small businesses (in the fishing, agriculture, small hotel/tourism, and manufacturing sectors) to become more climate resilient.
- The identification of the specific needs of small enterprises related to climate adaptation and resiliency, such as (a) business tools for assessing climate related risk management and business readiness, including emergency management plans, (b) increased need for distributed energy and energy efficiency to enhance small firm energy security, (c) preparation for increased water stress and flooding events, including increased water capture and storage; and (d) the increased need for damage resiliency in private sector business assets and detailing risk transfer options.
- The identification of private sector partners for the regional PPCR.

Activity 2: Study of the impacts of climate change on gender and vulnerable groups in the PPCR participating countries of the Caribbean - This study will include at least the following:

- A review of the already existing information on gender and vulnerable groups in the Caribbean and the impacts of climate change on such groups (when available) as well as a gap analysis of the missing information on this area.
- Development of additional studies (if required) of the impacts of climate change on the identified vulnerable groups.
- Generation of a report with recommendations in order to build climate change resilience within these social groups. This report should include specific measures for each component (where applicable) of the IP in order to reduce/minimize the impacts of climate

change on vulnerable groups as well as applicable monitoring indicators and mechanism for collection, processing and reporting.

Activity 3: Development of a Communication and Information Sharing Strategy and Action Plan. The output of this activity will contribute to best practices such as sharing of lessons learned, capacity building on climate change issues and raising public awareness on the topic. The Communication and Information Sharing Strategy will be developed using in-kind resources of the CCCCC.

Activity 4: Technical input into the design of the IP. This activity will provide specialized technical input and expertise to the Project Coordinator by undertaking necessary tasks to support the preparation of the Investment Proposal (IP). A consultant will assist in defining the details of the four (4) specific components of the Investment Proposal (IP), including the scope, detailed budgeting, monitoring indicators and implementation arrangements related to the four the components. This activity will involve the following:

- i. Assist in the preparation of the IP;
- ii. Assist in the preparation of a procurement plan and disbursement schedule of the IP;
- iii. Prepare a description and justification for implementation arrangements of each component of the IP;
- iv. Prepare an execution chronogram;
- v. Undertake the environmental and social assessments of the IP;
- vi. Prepare risks and mitigation strategy for the IP;
- vii. Finalization of the detailed budget with costing of the investment components, the components' financing and preparation of the financial and economic analysis;
- viii. Preparation of the monitoring and evaluation plan for the different components, including the definition of monitoring indicators and mechanisms for collection, processing and dissemination of the data.

Activity 5: Project document preparation. This objective of this activity is to prepare the detailed IP for submission to the PPCR sub-committee and to the IDB Board of Directors for approval. The activity will be undertaken by the Project Coordinator and will involve the following:

- i. Coordinate with all focal points outlined in the SPCR through a participatory process, to ensure harmonization of the four components of the IP.
- ii. Manage and supervise all consultants involved in the development of the IP and related studies with the assistance of the staff at the Caribbean Community Climate Change Centre.
- iii. Collate and review the products of the other consultancies involved in the development of the IP.
- iv. Coordinate the design of the components under the IP with relevant stakeholders and leading agencies, including meetings and consultations.
- v. Coordinate the process of obtaining the endorsement of the IP from the regional PPCR steering committee.
- vi. Prepare the IP document for submission to the PPCR sub-committee and the IDB's Board of Directors for approval.

The Indicative Results Matrix

Results Matrix									
		Baseline		Year 1		Year 2		Expected Completion	Data Source
	Unit	Value	Year	Planned	Actual	Planned	Actual		
Number of Investment Proposals (IP) developed									
• # of studies on private sector involvement in the Caribbean PPCR	#	0	2012	1					Project Report
• # of studies on climate change impacts on gender and vulnerable groups	#	0	2012	1					Project report
• # of IPs prepared	#	0	2012	1					IP project document

Indicative Budget

Costs	Project Cost – IDB Financing					Counter-part Funds	Other Financing
	Year 1			Year 2	Total request		
	Consult.	Travel	Other				
Component 1	79,000	14,000			93,000		-
• Activity 1	16,000	5,000			21,000		-
• Activity 2	17,000	5,000			22,000		-
• Activity 3						10,000	-
• Activity 4	16,000	4,000			20,000		-
• Activity 5	30,000				30,000		
Project Management	25,000	5,000	7,000		37,000		-
• Project coordinator	25,000	5,000			30,000		-
• Administration, financial management and procurement			7,000		7,000	20,000	
Sub-total	104,000	19,000	7,000		130,000	30,000	-
	Monitoring and evaluation				20,000		
Sub-Total					150,000	30,000	
Approximate value of in-kind counterpart						30,000	
Total Financing		180,000					

Technical and supervisory responsibility: INE/CCS (through the Team leader) will have technical and supervisory responsibility for the execution of the program. The IDB's Country Office in Belize (CBL) will provide routine operational support and will be the Unit with Disbursement Responsibility. The main contact at CBL will be the Operations Associate.

- V. Monitoring and evaluation:** The CCCCC will monitor the progress of all program activities of the TC. Progress reports will be furnished to the Bank on July 1st and January 1st of each operational year and will be the responsibility of the CCCCC. These reports will follow standard IDB format and will address program activities and finances, as well as results achieved. The CCCCC will also facilitate the undertaking of an independent final evaluation when 90% of the Bank's resources have been disbursed. The evaluation will consider the execution of the project from a technical, institutional and financial point of view.

VI. Executing agency and execution structure

- 6.1 The Caribbean Community Climate Change Centre coordinates the Caribbean region's response to climate change, working on effective solutions and projects to combat the environmental impacts of climate change and global warming. The governance of the CCCCC is through a Board of Directors, which has responsibility for strategic planning. A technical secretariat headed by an Executive Director is responsible for tactical planning and operations.
- 6.2 The CCCCC has an established and proven track-record as a leader in climate change adaptation planning and management studies throughout the Caribbean. They have many operational program linkages and networks. More importantly, the CCCCC is the repository of current state of the art climate change models in the Caribbean region and is one of the implementing agencies of the UNECLAC's Regional Economics of Climate Change Studies (RECCS) for the Caribbean. The CCCCC has experience with the execution of IDB technical projects such as the **Pilot Program for Climate Resilience (PPCR) Regional Phase I (ATN/SX-12794-RG)**; the **Caribbean Carbon Neutral Tourism Project (ATN/MC-11591-RG)**; and the **Database Management System for a Regional Observing Network for Environmental Change in the Wider Caribbean (ATN/OC-12554-RG)**. These are all regional programs involving the coordination of activities among various countries in the region, which has presented execution challenges for the CCCCC because of limited execution capacity within the organization
- 6.3 Executing agency: This TC will be executed by the CCCCC in collaboration with the Bank through the Climate Change and Sustainability Division (INE/CCS). The CCCCC will be responsible for the selection, contracting and supervision of the consulting services for the program in accordance with Bank policies and in full consultation with INE/CCS.
- 6.4 Executing mechanism: The CCCCC will provide the overall oversight of the TC but will liaise with other partners involved in the project design and implementation such as the University of West Indies (UWI), the Caribbean Institute for Meteorology and Hydrology (CIMH), the Caribbean Agricultural Research and Development Institute (CARDI), the Caribbean Regional Fisheries Mechanism (CRFM), the Caribbean Environmental Health Institute (CEHI) and Caribbean Disaster Emergency Management Agency (CDEMA). All these agencies will have a leading role in the design and implementation of at least one of the components under the IP. Also, a Project Coordinator will be hired to manage the program, which will include the responsibility for the development of the IP, the compilation of its various activities and assist in its submission to the PPCR sub-committee and the Board of the IDB. The IDB's Country Office in Belize (CBL) will assist in the Program's execution by liaising with the EA when required, providing fiduciary support and ensuring that disbursement requests are received and processed in a timely manner. The disbursement requests and processing workflow will be led by the Team Leader of the Program, with support from the CBL Operations Analyst, as well as the procurement and financial specialists on the project team.
- 6.5 Procurement: Procurement of goods and services will be carried out by the executing agency according to the IDB Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (GN-2350-9) of March 2011 and for the Procurement of Goods and Works Financed by the Inter-American Development Bank (GN-2349-9) of March 2011. An ex-ante modality will be used for the supervision of the procurement of goods and services because the procurement unit at the EA is relatively new and still requires some guidance in the procurement procedures of the Bank. See Annex II Procurement Plan.

- 6.6 Audits: The CCCCC will be responsible for managing the Program's financial resources and will follow the Bank' standard procedures for auditing, international accounting norms and reporting.

The CCCCC will also establish and maintain a separate and specific bank account for the purposes of managing the resources of this Program. It will prepare and submit to the IDB the Program's final financial statements within ninety (90) days after the date of the last disbursement.

VII. Major issues

The main risks for this operation are:

- The lack and availability of data to undertake the study on private sector involvement and the study on climate change effects on gender and vulnerable groups. To mitigate this, the consultants will be required to go the various countries and implement appropriate measures to generate new data to fill the gaps that exist.
- There is also a risk that the project is not executed in a timely manner. To mitigate this risk, an institutional assessment of the EA will be undertaken by the IDB in order to identify and address any institutional issues.

VIII. Exceptions to Bank policy

None

IX. Environmental and Social Strategy

It is not anticipated that the activities to be financed in this TC will have negative direct social or environmental effects. Therefore the team considers that, according to the Bank's Safeguards Screening Toolkit, this operation should be given a classification of "C": (i) no environmental or social risks; (ii) direct contribution to solve an environmental issue [IDBDOCS-#37048607-Safeguard Policy Filter Report](#); [IDBDOCS-#37048629-Safeguard Screening Form](#)

X. Annexes

- Annex I: Terms of Reference
 - A. Design and costing of the components that comprise the Investment Program under the Caribbean Regional Strategic PPCR [IDBDOCS-#36995967](#)
 - B. Study of the impacts of climate change on gender and vulnerable groups in the PPCR participating countries of the Caribbean [IDBDOCS-#36998150](#)
 - C. Market study for private sector involvement in the Caribbean Regional PPCR [IDBDOCS-#37000318](#)
 - D. Coordination and Implementation of activities for the Regional-Track of the Pilot Program for Climate Resilience in the Caribbean [IDBDOCS-#36998361](#)
- Annex II: Procurement Plan [IDBDOCS-#37079381](#)