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Exit Strategy

CLIMATE-RESILIENT WATER SECTOR IN GRENADA (G-CREWS)

I. Introduction

In its commissioning letter, the BMU has requested the GIZ to develop a detailed exit strategy for Component 1 of the BMU/ IKI proposal (Component 4 in overall funding proposal) which is to be submitted in the process of the annual interim reporting. The GIZ proposes to align this request with the exit strategy of the proposal to the Green Climate Fund (GCF) (chapter D.2 of the funding proposal to the GCF).

Apart from the infrastructure investments, the G-CREWS project creates (a) conditions for a low- carbon and long-term climate resiliency of the water sector (beyond the project implementation phase and after 2050) and (b) sustainability of the project's impacts. This includes an enabling and incentivizing institutional environment, long-term (including climate-smart and climate-adapted) thinking by the various stakeholders and sound financial structures. The project design supports a low-carbon transformation and a systemic increase in the resilience of the water sector and the various stakeholders, which will ensure sustainable operation of the sector's institutions and infrastructure. The main features of the exit strategy thus are (i) institutional structures, (ii) behavioral change, (iii) financial sustainability within the water sector and (iv) cross-cutting measures.


Hence the main objectives of this exit strategy are:

- The project establishes and institutionalizes structures that enable the Government of Grenada and key stakeholders in the water sector in Grenada to continue actions piloted under the project beyond the project's lifetime.
- The project encourages commitment to the project's outcomes and their sustainability on activities that are beneficial to long term climate resilience and low-carbon development that generates impacts beyond the project's lifetime

The Exit strategy is primarily used as a tool to track the process of the project's sub-components with a specific focus on generating positive impact beyond the project's duration.

The G-CREWS project, particularly through its Component 4 (Component 1 in BMU proposal), is tasked to support the medium- and long-term strategy of Grenada's approach to make the water sector climate smart in regard to mitigation and adaptation. Thus, as a core document the Low Carbon and Climate Resilient Water Action Plan (WAP) will provide detailed description on the overall short-, medium- and long-term Implementation strategy on climate-smart water planning in Grenada.



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II. Core Process


The exit strategy is presented in a matrix that provides an overview over the four main criteria for sustainability:

1) Institutionalization 2) Behavioral Change, 3) Financial Sustainability and 4) Cross-Cutting measures.

Within the following table these four features are elaborated on for the relevant sub-components of the overall projects.

Sub-components	(i) <i>Institutional Structures</i> (ii)	(iii) <i>Behavioural Change</i> (iv)	(v) <i>Financial Sustainability</i> (vi)	(vii) <i>Cross-Cutting Measures</i> (viii)
1.1 Water Resource Management Unit	The establishment of a dedicated and independent WRMU to oversee and manage the country's water resources is an important pillar of the long-term sustainability of a climate-resilient water sector. The technical assistance for setting up and capacitating the new WRMU enables the institution to manage its processes sustainably throughout the project implementation phase and	WRMU has a key function to assess and inform the public about water availability and water resource management	Institutionalization and integration into annual budget planning; G-CREWS supports the planning	The knowledge management and learning approach to improve the capacities of the institutions and contribute to their sustainability is a key element of the G-CREWS project Plays a role in Comp 4.1 on Stakeholder Platform



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	<p>beyond. The key factor for long-term institutional success, however, is the cooperation network that will be established through various interactions between line ministries, NAWASA, private sector organisations (e.g. the Grenada Industrial Development Corporation, the tourism sector), NGOs and the WRMU.</p> <p>The WRMU's mandate will give it a clear impact on the climate resilience of the water sector, contributing to long-term institutional change towards more resilient water governance structures in Grenada. A strong governance and cooperation structure are the basis for the country's preparedness for future actions in the water sector to respond to climate change.</p> <p>The country focuses not only on new investments to overcome climate-induced water resource problems but also on overall reduction in</p>			
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	water demand; flexible, climate-dependent water abstraction schemes and clear priority setting between sectors in case of water shortages. The paradigm shift brought by an improved water resources management structure will strengthen Grenada's ability to react to climate-induced water issues, far beyond the implementation of the G-CREWS project.			
1.2 Regulatory Framework	Support identifying gaps on regulations, prioritization, assist in developing or amending standards, regulations, incentive structures for climate smart water supply and usage	Support communication & awareness raising about regulatory changes	Integrate incentive mechanisms in annual budget planning	Water efficiency will become a standard, which in turn reduces the need, urgency and investment costs for new infrastructure development. Mainstreaming of climate-resilience into policies, plans and regulations of water-related sectors ensure a long-term anchoring of adaptive approaches in a wider regulators framework, thus sustaining climate-resilience beyond the project
1.3 Water Tariff	Focus on establishing water tariff update process?	WRMU as lead	The current tariff structure does not provide sufficient funding for major	Link to awareness raising



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			<p>infrastructure investments, which compromises NAWASA's ability to react to climate change. By establishing adequate tariffs for water supply, NAWASA will also become able to pay for future infrastructure development investments, such as the maintenance and replacement of the infrastructure built as part of the G-CREWS project. This will enable the sustainability of the G-CREWS project approach far beyond its implementation. More flexible, seasonally adaptive water tariffs additionally allow for setting right incentives corresponding to the water availability.</p>	
2.1 Challenge Fund				<p>The Challenge Fund for Resilient Commercial Water Users creates an understanding that water-efficient behaviour can save money, so replication can be expected and reduce the</p>



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				<p>water demand. Furthermore, the Fund supports the development of a long-term technology market in Grenada (see E.2.3). As a part of the exit strategy of the Challenge Fund, it is foreseen that water audits will become a mandatory element of the tri-annual audit by the Grenada Tourism Authority, to create a base for funding of water projects in the agricultural sector.</p>
<p>2.2. Awareness</p>		<p>Water users are currently not aware of the saving potential and results of inefficient water usage. Through considerable investments in public awareness, education, regulation, capacity building and the Challenge Fund, the G-CREWS project will enable major behavioural changes on the part of water users (see C.3 for details). Eventually, the perception of water as an almost free good will transform into an understanding of water's true value in a world of climate change, an increased</p>		<p>The knowledge management and learning approach to improve the capacities of the institutions and contribute to their sustainability is a key element of the G-CREWS project</p>



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		willingness to pay for water, and widespread use of water-efficient equipment and alternative water resources. Such behavioural change is essential to enable Grenada to react flexibly to future, currently only vaguely predictable challenges in the water sector. Water users will accept measures such as reduced pressure on water resources, creating more flexibility to react to future challenges.		
3.1 Climate-resilience of NAWASA supply systems			By carefully selecting technologies and measures, which do not increase but instead could even reduce NAWASA's operational costs, the G-CREWS project contributes to NAWASA's financial long-term sustainability.	The knowledge management and learning approach to improve the capacities of the institutions and contribute to their sustainability is a key element of the G-CREWS project
3.2 Disaster-resilience in medical centers	tbc			
3.3 Disaster resilience in NAWASA's systems	tbc			
WP 1/ (4.1) Integrate water sector into the NDC implementation process	Climate relevant water & water-sector-related energy data collection processes are established jointly with the	The set-up of a tailor-made and activity related stakeholder engagement plan paired with the digital	Use existing resources and institutional set-up of the Government of Grenada	The improved collection and management of climate and water data contribute to better decision-making and



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	<p>responsible governmental stakeholders and integrated into the Grenadian climate planning (NAP, NDC) and monitoring & reporting processes</p> <p>https://climatefinance.gov.gd/ to be administered and hosted by the Government of Grenada</p>	<p>platform for public and private sector and civil society to share information, achievements and lessons learned on Grenada's water sector's aims to strengthen the ownership and encourages concrete behavior change within the platform towards a more climate and water smart user behavior;</p> <p>The project works closely and stakeholder-oriented with a broad range of stakeholders and involves multipliers and influencers in decision making processes.</p> <p>The project will support the digital knowledge management and information sharing of the stakeholders via digital team building applications, shared file structures for all implementing partners to foster digital learning and behavioural change in overcoming barriers on inter-ministerial information and file sharing.</p> <p>Through the https://climatefinance.gov.gd/</p>	<p>for data processing and Monitoring</p>	<p>adaptation planning in the water sector after G-CREWS project is finished.</p>
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		up to date information on G-CREWS impact and initiatives and activities beyond: data and information hub		
WP 2 (C4.2) Assessment & implementation of selected Renewable Energy technology options for NAWASA	Economic and technical feasibility of Renewable Energy solutions to be analyzed and translated into NAWASA's long term operational planning (safe of electricity costs)	By sharing data from Renewable Energy pilots, especially on Photovoltaic, private stakeholders and residents in Grenada encouraged to invest in RE	By carefully selecting technologies and measures, which do not increase but instead could even reduce NAWASA's operational costs, the G-CREWS project contributes to NAWASA's financial long-term sustainability.	The improved collection and management of climate and water data contribute to better decision-making and adaptation planning in the water sector after the G-CREWS project is finished.
WP 3 (C4.3) Identification and implementation of (selected) energy efficiency improvement potentials	Economic and technical feasibility of water and energy efficiency measured to be analyzed and translated into NAWASA's long term operational planning (safe of operational/running costs; water loss reduction) Awareness campaigns are developed jointly with the project's communication working group which consists of communication experts from: the Grenada Development Bank; Ministry with responsibility for (wrf) Agriculture, GIZ, NAWASA Grenada Tourism Authority	Support improved customer care/ client communication and information sharing on water loss reduction; Revisit cost structures for end consumer categories and charge consumers correctly according to consumption volume	By carefully selecting technologies and measures, which do not increase but instead could even reduce NAWASA's operational costs, the G-CREWS project contributes to NAWASA's financial long-term sustainability. The introduction of a long-term maintenance plan for NAWASA's physical assets will support timely and cost-efficient maintenance and repair of infrastructure, thus extending the assets' technical life and reducing the need for costly, large-	The improved collection and management of climate and water data contribute to better decision-making and adaptation planning in the water sector after the G-CREWS project has ended. The knowledge management and learning approach to improve the capacities of the institutions and contribute to their sustainability is a key element of the G-CREWS project



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	<p>Ministry wrf Finance which supports knowledge transfer and peer-to-peer learning between the institutions, creating a network on communication for water</p>		<p>scale early replacement. NAWASA will integrate revenues from the water-saving measures into a long-term financing strategy that allows for stable planning. The selected technological approaches to make the water sector climate-resilient should reduce NAWASA's operational costs, making long-term maintenance after the G-CREWS project financially and technically feasible.</p>	
<p>WP 4 (C5.1) Lessons learnt and knowledge sharing through a Community of Practice</p>	<p>Community of Practice set up to be evaluated. <i>The Community of Practice is the hub for government entities responsible for access to climate finance and national representatives of the water sector to exchange on and to generate proposals for low-carbon and climate-resilient water projects in the Caribbean</i> Participating key experts develop and decide on a long-term mode of operation and potential integration into</p>	<p>Through the collaboration with regional multipliers, consisting of regional experts that are anchored and influential in the region, future policy making is strengthened towards a low-carbon, climate resilient water planning; lessons learnt enter research and academia as well as regional policy making for further use and translation into follow up projects, curricula or guidance to government.</p>	<p>If the Community of Practice appears useful beyond the lifetime of the project, it should be integrated and run through an existing regional organization with allocated funding, this can be linked with WP 5 as project developers are involved in the CoP and have an interest to continue exchange and knowledge sharing across new projects that may integrate budget for regional exchange including the continuation of</p>	<p>The knowledge management and learning approach to improve the capacities of the institutions and contribute to their sustainability is a key element of the G-CREWS project</p>



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	<p>existing regional structure or a network; the CoP will be aligned and complementary to existing (mostly technical) water-related regional expert groups in regard to its focus on the potential to generate more finance-ready water projects.</p>	<p>The approach of the CoP is to facilitate a collaborate effort to encourage peer-to-peer transfer of knowledge between SIDS.</p>	<p>the CoP. The CoP will discuss and decide on the financial sustainability of the CoP in the curse of the project's implementation.</p>	
<p>WP 5 (C5.2) Providing the base for replication</p>	<p>Collaboration with NDAs in the region is key in the regard to access to climate finance as they are in charge of the no objection procedure; Through demonstration of peer-to-peer review processes for concept note development countries are enabled to exchange closely and establish strong links between governmental entities working on water; a regional entity, such as OECS may act as a facilitator to strengthen the piloted exchange and peer-to-peer structures in form of a regional agreement or framework</p>	<p>Collaboration with regional multipliers and the peer-to-peer exchange addresses and aims to overcome potential communication gaps or silo structures in the region;</p> <p>Digital tools support the quick sharing of information and collaborative efforts and assist increase efficient information sharing across the region, which contributes to increased trust in technology and digital cooperation.</p>	<p>If the peer review process appears useful beyond the lifetime of the project, it should be integrated and run through an existing regional organization with allocated funding that ideally will be reflected in future concept notes and project development processes and eventually financed through national or regional budgets, including the option of project funding, that recognize the leverage effect and hence the need for long term financing.</p>	<p>Future projects integrate lessons learnt from G-CREWS in their project outlines</p>