## **CLIMATE CHANGE LEGISLATION IN**

# Grenada

AN EXCERPT FROM

## The 2015 Global Climate Legislation Study A Review of Climate Change Legislation in 99 Countries



Michal Nachmany, Sam Fankhauser, Jana Davidová, Nick Kingsmill, Tucker Landesman, Hitomi Roppongi, Philip Schleifer, Joana Setzer, Amelia Sharman, C. Stolle Singleton, Jayaraj Sundaresan and Terry Townshend

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Grantham Research Institute on Climate Change and the Environment





## Grenada

### **Legislative Process**

Grenada is a small island state with a parliamentary democracy, which gained independence from the UK in 1974. It is a member of the Commonwealth of Nations, with the British Monarch as head of the executive and part of the legislature, represented by the Governor General. The Prime Minister is head of Government and the legislature, which consists of the bicameral Parliament (Senate – 13 seats, 10 members appointed by the Government; House of Representatives – 15 seats, elected by popular vote in single-member constituencies for a five-year term). The Supreme Court of Grenada is the highest judicial body. The most recent elections were held on 2013 and the next are planned for 2018.

Legislative initiative power belongs to the Governor General representing the British Monarch and members of both parliamentary Chambers, except for legislative proposals concerning public finances and taxation, which are initiated by the government and must be first submitted before the House of Representatives. Under the ordinary procedure (non-finance legislation), bills are adopted by both Chambers, with the House of Representatives able to overturn a Senate rejection of a bill. Bills must be adopted by both Houses and receive Royal Assent from the Governor General before they can be published in the Official Gazette and become law.

### **Approach to Climate Change**

Grenada ratified the UNFCCC in 1994 and the Kyoto Protocol in 2002 (as a non-Annex I country). It submitted its first National Communication to the UNFCCC in 2000 and the preparation of a second communication has been in progress since 2006. Grenada is not bound by any international GHG emissions reduction targets, but has pledged a 20% reduction in GHG emissions from fossil fuels by 2020, as well as minimum of 20% share of renewable sources in primary energy production by 2020.

Grenada's economy is primarily based on services and tourism, especially since the 2004 hurricane Ivan destroyed most of the nutmeg and other spices production capacity. The government's overarching climate policy priority is adaptation to current and future climate change risks, such as rising sea levels, prolonged droughts and higher frequency of extreme events. Other priorities include the transition towards a low-carbon economy and energy security and independence.

The Ministry of Finance and Energy and the Ministry of Agriculture, Lands, Forestry, Fisheries and Environment have the primary responsibility for climate change policy, which is in general connected to environment, energy security, and disaster prevention/adaptation policies. Climate change-related legislation is primarily based on executive policy, such as strategies, policy frameworks and strategy projects, without a single overarching legislation. Grenada has prepared a National Climate Change Policy and Action Plan (draft plan 2007-2011), whose strategic objective is "to lay the foundation for an organised long term response to climate change", in response to the relative lack of capacity to conduct

climate change assessments and plan responses. The strategic objective is to be achieved through eight interdependent strategies, including climate-proofing present and future national development activities; strengthening collection and analysis of climate change data; building local capacity to assess and respond to climate change; reducing GHG emissions through increased energy efficiency and use of renewable energy; eliminating unsustainable livelihood and development practices; raising public awareness and developing climate change-related education; and strengthening international co-operation on Joint Implementation projects. The Plan further sets out specific goals to be achieved over 2007–2011 and proposes a set of specific activities, including a request for detailed sector impact assessments and initial response plans, on which the 2015 update of the Action Plan (2012-2016) is to be based.

#### **Energy supply**

The energy sector is characterised by high dependence on fossil fuels, with the electricity sector accounting for 40%, and the transport sector for around 50% of the primary energy use. Grid access is over 99%, with installed generation capacity of around 50 MW and peak demand around 30 MW (2012). Grenada imports almost 94% of its fuel for transport (diesel and gasoline), electricity generation (diesel) and cooking (liquefied petroleum gas), which makes the country vulnerable to energy price volatility. Since Hurricane Ivan in 2004, power sector infrastructure has been severely impacted and infrastructure reliability and distribution concept put into question. On the other hand, Grenada has the potential to develop renewable energy sources, especially solar, wind, and biomass (e.g. sugarcane and nutmeg production wastes). Additionally, the geothermal potential was estimated at around 1,100MW, with about 50 MW that could be reliably produced from inland locations. Some small roof-top PV installations have already been developed, covering around 1% of the peak demand.

In 2011, the government adopted in 2011 the Grenada National Energy Policy (GNEP), which institutionalises Grenada's transition to a low-carbon, secure, and energy independent economy. The GNEP is under the auspices of the Department of Energy & Sustainable Development, within the Ministry of Finance, Planning, Economy, Energy and Co-operatives. The GNEP lays down two main targets to be achieved by 2020: a minimum of 20% reduction of GHG emissions from fossil fuel combustion below business-as-usual, and a share of a minimum of 20% renewable energy in all domestic energy used for electricity and transport. The GNEP also includes the Energy Development Strategy (2010-2020), which provides for adoption of energy specific legislation such as a Geothermal Bill and the revision of the 1994 Electricity Supply Act. The latter is to be replaced in early 2015, as the government intends to enact legislation for a new Electricity Supply Act that will promote renewables among households, hotels and other businesses. There will be a strong focus on communities' access to renewables such as solar PV, which should among others help lower the high costs of energy, market opening for independent power producers and purchase obligation by the central utility operator

The Grenada Vision 2030 (2012) sets out an ambitious target of 100% share of renewable energy in electricity generation and transport by 2030 and calls for further studies of how such a target could best be achieved, starting with a showcase study to be conducted in co-operation with the German government and relevant companies.

Grenada benefits from a number of international financial assistance programmes, such as the Global Environment Facility (GEF). Grenada, along with other Caribbean Community and Common Market members, secured funding through the GEF for the Energy for Sustainable Development in Caribbean Buildings project. Grenada has also drawn funds from the EU Energy Facility and secured external grants for exploration of geothermal resources and the Carriacou wind energy project.

#### **Energy demand**

Grenada's energy demand is expected to almost double by 2030 (IRENA 2012). This is why, besides provisions for transition to alternative sources of energy, the Grenada National Energy Policy also lays down measures to encourage energy efficiency and conservation, although it does not provide specific targets. It further calls for adoption of an Energy Efficiency Act, which should include provisions for energy efficiency standards (appliances, transport, buildings), regular energy audits and financial incentives to be offered by commercial banks for investments in energy efficiency.

The government provides a tax incentive (exemption of the 15% VAT) for investment in renewable energy and energy efficiency technologies. The Ministry of Finance has also published a list of energy efficient equipment, including energy saving bulbs and renewable energy technologies, which are also exempt from VAT. A draft version of Grenada's building code (2001) offers a framework for sustainable use of buildings. It also aims at improving standards of building construction, taking into account among others the recommendations of the Caribbean Disaster Mitigation Project of the Organization of American States. However, the code has not yet been officially adopted.

#### **REDD+ and LULUCF**

Although Grenada does not have an overarching land use and management legislation, projects recognising the importance of climate change and potential climate regulative function of land use are developed in co-operation with the UNCCD (includes preparation of the National Action Programme to Elaborate the UNCCD). The recently-revised National Biodiversity Strategy and Action Plan (NBSAP, 5th report submitted in September 2014), also considers land use impacts on climate change. It incorporates the updated Aichi Biodiversity Targets, of which the following targets directly refer to climate change: Target 5 (reduce forest degradation by 50-100% by 2020); Target 10 (reduce anthropogenic pressures on vulnerable ecosystems impacted by climate change by 2015 to safeguard their function); and Target 15 (restore at least 15% of degraded ecosystems to contribute to climate change mitigation and adaptation by 2020).

#### Transportation

The transport sector represents around 50% of the primary energy/fossil fuel use. Although there is currently no specific policy to encourage the use of alternative fuels for the transport sector, the Grenada National Energy Policy (2011) proposes to introduce electric vehicles into the market, with the electricity grid supplied by renewable energy such as geothermal. The government, in collaboration with Grenada Electricity Services, is preparing a pilot electric vehicle programme for large vehicle fleets.

#### Adaptation

Grenada is especially vulnerable to climate change impacts, such as rising sea levels and increased temperatures. In response, it has developed a set of strategic adaptation programmes and projects: Grenada Strategic Programme for Climate Resilience, Grenada Disaster Vulnerability Reduction Project and Resettlement Policy Framework. Most of these documents have been prepared in co-operation with external actors providing financial means or technical support, in particular the World Bank, UNDP, UNCCD, and the German government. The adaptation measures range from coastal zones rehabilitation, and flood and landslides mitigation, to potential resettlement of inhabitants of zones at risk. In November 2014, Grenada completed its UNISDR (United Nations Office for Disaster Risk Reduction) country profile, which provides a comprehensive overview of the state of disaster risk reduction, including climate change resilience.

The integration and mainstreaming of adaptation measures into national planning takes place under the Grenada Integrated Climate Change Adaptation Strategies Project (ICCAS - funded by the German government's International Climate Initiative). The project aims at raising awareness about climate change adaptation and aims at shifting public behaviour towards more sustainable habits. Initiatives developed under the ICCAS project include drafting of a Coastal Zone Policy and Coastal Zone Management Roadmap. The ICCAS Project has also adapted for Grenada the 'Caribbean Climate Online Risk and Adaptation Tool', which allows public and private sector entrepreneurs to estimate whether climate change will have a negative impact on their proposed activities, projects or policies. Finally, a National Adaptation Plan is to be prepared under the ICCAS Project in 2015.

Name of Policy	Grenada Vision 2030
Date	21 June 2012
Summary of bill	Further to the publication of the Grenada National Energy Policy (2011), the "Grenada Vision 2030" lays
	down the proposal to establish a 100% renewable energy target for both the electricity and transport
	sectors for 2030. As a first step to determining the pathway towards this objective, a '100% renewable
	energy showcase study is to be conducted in co-operation with the German government and a consortium
	of specialised companies. The Grenada Vision 2030 consists of four major projects, three focused on
	development of utility scale generation from geothermal, wind and waste-to-energy sources, and one on
	distributed solar. They are expected to require relatively little capital investment, given the small size of the
	economy and energy demand.

### Grenada: Executive portfolio

Name of Policy	National Energy Policy
Date	November 2011
Summary of bill	Grenada's National Energy Policy (GNEP) lays down the Government's objectives for shaping the energy sector in Grenada, in order to "ensure access to affordable, equitable, and reliable energy sources and services to drive and secure national development, and to improve the quality of life for all of its citizens". The GNEP is based on seven core principles:
	<ul><li>Energy Security;</li><li>Energy Independence;</li></ul>
	Energy Efficiency;

- Energy Conservation;
- Environmental Sustainability;
- Sustainable Resource Exploitation;
- Rational Energy Prices; and
- Energy Equity and Solidarity, including with future generations.

The GNEP further calls for a minimum of a 20% reduction of GHG emissions from fossil fuel combustion below 'Business As Usual' by 2020, and it sets a specific target for renewable energy: to provide 20% of all domestic energy used for electricity and transport by 2020. It also calls for the implementation of various measures to encourage energy efficiency and conservation in energy generation, transport and buildings sectors —although it does not include specific targets.

In particular, the GNEP calls for a set of specific projects to be co-ordinated by the Government by 2020:

- Complete feasibility and construct a 20MW geothermal plant
- Construct an additional 20MW geothermal plant
- Construct a 2.5MW wind turbine for Carriacou
- Achieve 10% electricity generation by wind & solar PV
- Establish vehicle fuel efficiency standards
- Achieve 20% market penetration with hybrid and electric vehicles.

It also demands the establishment of the necessary international structures, including a National Energy Commission representing relevant stakeholders that would "review the achievement of the policy targets, receive comments from stakeholders (...) and feed this information back to government, recommending solutions where necessary".

Finally, it offers a layout of a 10-year Grenada Energy Development Strategy (2010-2020), which provides for adoption of energy specific legislation such as Energy Efficiency Act, Geothermal Bill, and revision of the Electricity Supply Act. The proposed Energy Efficiency Act includes the following provisions:

- Mandate commercial building planning regulations(e.g. mandatory renewable sources contribution to energy consumption for new buildings);
- Require the use of energy efficiency standards and building codes for ventilation, cooling, waterand process-heating, lighting and in institutional, commercial and industrial buildings;
- Require all government buildings of a certain size to have periodic energy audits and compliance audits;
- Mandate the compilation and publication of sectoral benchmarking data (e.g., kWh per hotel room-night for the hotels sector);
- Require commercial banks to provide financial incentives for investments in energy efficiency to businesses and homeowners;
- Mandate specified fuel efficiencies for imported vehicles;
- Require training in 'eco-driving' practices for public and private sector organisations;
- Develop, monitor, publish and update indicators of national energy consumption and efficiency.

As of August 2014, the government had not passed legislation to make the measures outlined in the GNEP legally binding, but it is currently drafting a concession law for the exploration and exploitation of geothermal resources.

Name of Policy	Grenada Disaster Vulnerability Reduction Project and Resettlement Policy Framework
Date	6 October 2011
Summary of bill	The Grenada Disaster Vulnerability Reduction Project, prepared in co-operation with the World Bank, aims
	to reduce Grenada's vulnerability to natural hazards and climate change. It proposes a number of civil works
	in order to reduce the infrastructure vulnerability to natural hazards and climate change. The project is co-
	financed by the World Bank and the Climate Investment Fund up to USD26.2m, including a grant of USD8m.
	The programme is being implemented over a five-year period and is co-ordinated by the Ministry of Finance.
	Part of and prerequisite to the Grenada Disaster Vulnerability Reduction Project is the Grenada Disaster
	Vulnerability Reduction Project Resettlement Policy Framework elaborated by the Government in April
	2011. It is based on the World Bank's Involuntary Resettlement Policy and its primary aim is to ensure that
	necessary resettlement activities related to natural disasters and climate change take social concerns into
	account with respect to adverse impacts on affected citizens.

Name of Policy	Grenada Strategic Program for Climate Resilience
Date	02 March 2011
Summary of bill	The Grenada Strategic (Investment) Program for Climate Resilience (SPCR) is the key component of the Pilo Programme for Climate Resilience (PPCR), developed by the Ministry of Finance, Planning, Economy, Energ
	and Co-operatives in cooperation with and under financial assistance of the World Bank (the PPCR is house
	within the Strategic Climate Funds established under the Climate Investment Fund of the World Bank an
	aims to help countries transform to a low-carbon climate resilient development path, consistent wit poverty reduction and sustainable development goals).
	<ul> <li>The SPCR proposes a comprehensive package of infrastructure projects and technical assistance activities to be financed under the PPCR. It first identifies the key challenges related to climate change vulnerability: <ul> <li>Key infrastructure in the country is vulnerable to significant loss and damage from extrem weather events, sea level rise and storm surges;</li> <li>Key natural resources like forests, beaches, soil and water have been damaged and threatened;</li> <li>Lack of systems, expertise and facilities to collect, store and analyse relevant information an data on topics related to climate change;</li> <li>Inadequate knowledge and awareness of potential impact of climate change and lack of technical skills to address them;</li> <li>Policies, laws, rules and regulations related to climate change and disaster risk reduction need strengthening and the capacity to enforce these revised regulations need enhancement;</li> <li>Planning for a co-ordinated response to climate change and disaster risk reduction activities need improvement.</li> </ul> </li> </ul>
	It proposes six main areas of intervention through investment projects (IP) and technical assistance (TA):
	<ul> <li>IP1: Disaster Vulnerability and Climate Risk Reduction</li> <li>IP 2: Forest Rehabilitation</li> </ul>
	TA 1: Water Resources Assessment and Management Study
	TA 2: Roadmap for Coastal Zone Management
	TA 3: Improving the Use of Data & GIS for Climate Change Adaptation

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 TA 4: Preparation of a Project for Rehabilitation of Bathway Sandstone Reef.

Name of Policy	National Climate Change Policy and Action Plan (draft plan 2007-2011)
Date	2007
Summary of bill	The strategic objective of the Plan is "to lay the foundation for an organised long term response to Climate
	Change", in response to the relative lack of capacity to conduct climate change assessments and plan
	responses. The strategic objective is to be achieved through eight interdependent strategies, namely:
	<ul> <li>Climate-proofing present and future national development activities by requiring a climate risk analysis of all ongoing and new development initiatives</li> </ul>
	<ul> <li>Strengthening the collection, analysis and use of climate-related data and impacts</li> </ul>
	<ul> <li>Building local human capacity to assess and respond to climate change, including through the access and use of appropriate technologies</li> </ul>
	<ul> <li>Reducing greenhouse gas emissions through increased energy efficiency and the use of renewable energy</li> </ul>
	<ul> <li>Eliminating unsustainable livelihood and development practices that increase climate change vulnerabilities</li> </ul>
	Sustained Public Awareness and Education Programming
	<ul> <li>Foreign policy advocacy for international action on climate change</li> </ul>
	<ul> <li>Joint Implementation and networking with OECS and CARICOM partners and with other Small Island Developing States.</li> </ul>
	The Plan further sets out specific goals to be achieved over 2007 – 2011 (and details related activities in a
	Strategy Matrix:
	Climate change adaptation incorporated into all new development projects from January 2008;
	<ul> <li>Incorporation of climate change adaptation and mitigation considerations in sectors at risk (e.g. health, agriculture, water, housing and spatial planning, coastal development);</li> </ul>
	<ul> <li>Establishment by the end of 2008 of a National Meteorological Service to collect, analyse and disseminate climate related data to all potential users;</li> </ul>

disseminate climate related data to all potential users;
Completion by the end of 2008 of technical analysis of appropriate response measures of climate

	change adaptation policy tackling the most serious long term impacts of climate change (e.g. erosion of Grand Anse beach, reduction in water supply, reduction in agricultural productivity and human settlement impacts);
	• Group of technical personnel capable of conducting basic, scientific analysis of climate change impacts at the sectoral level and of proposing response measures, available in each sector by the end of 2008.
	<ul> <li>Detailed sector impact assessments and initial response plans by the end of 2010.</li> </ul>
	<ul> <li>Introduction of university degrees related to climate change by the end of 2008.</li> </ul>
	<ul> <li>Incentives for the use of renewable energy included in the 2008 and subsequent Budgets.</li> </ul>
	• Exclusive importation and use of high energy saving appliances and equipment by 2010.
	<ul> <li>More integrated approach to national development and reduction in unsustainable practices by 2010.</li> </ul>
	<ul> <li>Raising public awareness about climate change to stimulate public demand and support of public policies aimed at building national resilience to climate change.</li> </ul>
The <i>i</i>	Action Plan 2007-2011 was to be replaced by an Action Plan 2012-2016, based notably on the detailed
secto	r impact assessments and initial response plans. The new Plan is currently under preparation.

Name of Policy	National Development Strategy for Grenada
Date	2007
Summary of bill	One of the main objectives of the National Development Strategy for Grenada developed by the
	Government in 2007 is to promote and provide for disaster risk reduction and climate change adaptation. It
	specifies among the main threats climate change and lays down among others the specific objectives for
	"integrating environmental and physical development considerations into national development" (land
	planning, buildings renewal, disaster risk reduction, awareness raising and education) and "an enhanced
	economic infrastructure sector supporting the country's development" (exploration of alternative energy
	sources, increasing energy independence, address vulnerability of energy infrastructure to natural
	disasters).

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