



The World Bank

Coastal and Marine Ecosystems Management Strengthening Project (P172980)

Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 07-Dec-2021 | Report No: PIDA31659



BASIC INFORMATION

A. Basic Project Data

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|--|--|--|---|
| Country St. Vincent and the Grenadines | Project ID P172980 | Project Name Coastal and Marine Ecosystems Management Strengthening Project | Parent Project ID (if any) |
| Region LATIN AMERICA AND CARIBBEAN | Estimated Appraisal Date 15-Feb-2022 | Estimated Board Date 31-Mar-2022 | Practice Area (Lead) Environment, Natural Resources & the Blue Economy |
| Financing Instrument Investment Project Financing | Borrower(s) Ministry of Finance, Economic Planning and Information Technology | Implementing Agency Sustainable Development Unit, Ministry of Tourism, Civil Aviation, Sustainable Development & Culture | GEF Focal Area Biodiversity |

Proposed Development Objective(s)

To strengthen the management of coastal and marine ecosystems of St. Vincent and the Grenadines.

Components

- Component 1. Institutionalizing Coastal and Marine Ecosystem Management
- Component 2. Piloting participatory planning and nature based solutions in selected sites
- Component 3: Managing knowledge and data management, and mainstreaming gender
- Component 4: Project Coordination and Management

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

| | |
|--------------------|------|
| Total Project Cost | 3.65 |
| Total Financing | 3.65 |
| of which IBRD/IDA | 0.00 |
| Financing Gap | 0.00 |

DETAILS

**Non-World Bank Group Financing**

| | |
|-----------------------------------|------|
| Trust Funds | 3.65 |
| Global Environment Facility (GEF) | 3.65 |

Environmental and Social Risk Classification

Moderate

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **St. Vincent and the Grenadines is one of the Small Island Developing States (SIDS) with a middle-income economy that depends primarily on services.** The country consists of 32 islands and cays, with a total land area of 389 km² and 84 km of coastline. The country has a population of over 110,000, approximately 52.6 percent of which live in urban areas.¹ Tourism in coastal zones and marine environments is one of the largest contributors to the gross domestic product (GDP) of US\$824.7 million in 2019.² The global COVID-19 pandemic has brought the tourism-dependent economy to a standstill. A report indicates that since the COVID-19 pandemic began, the country has seen a 92 percent decline in air arrivals and 90 percent in yachting, and cruise passengers' arrivals had fallen 100 percent.³ In managing the impact of COVID-19, the country was also faced with an active La Soufrière Volcano. The pyroclastic flows devastated the main island and blanketed the entire territory and neighboring countries with volcanic ash. The fiscal downturn related to the pandemic and loss of tourist receipts is likely to reduce Government financing and potential investment in many initiatives, including those associated with climate adaptation and disaster risk management.

Sectoral and Institutional Context

2. **St. Vincent and the Grenadines is highly biodiverse and has recorded 14 endemic animals, 19 endemic plants, and 29 regionally endemic tree species in its National Biodiversity Strategy and Action Plan (NBSAP) 2015–2020.**⁴ It is home to five mammals that are Lesser Antillean endemics, two of which

¹ <https://data.worldbank.org/country/st-vincent-and-the-grenadines>.

² <https://data.worldbank.org/country/st-vincent-and-the-grenadines>.

³ <https://www.iwnsvg.com/2021/02/07/svg-tourism-could-expect-an-uptick-by-2023/>.

⁴ St. Vincent and the Grenadines Revised NBSAP (2015–2020). <https://www.cbd.int/doc/world/vc/vc-nbsap-v2-en.pdf>.



live in habitat restricted to Grenada and St. Vincent and the Grenadines. The marine space under the jurisdiction of St. Vincent and the Grenadines is greater than 36,000 km², over 90 times its land space, and includes sea grass; lagoons; mangroves; and a variety of patch, fringing, and bank barrier reefs. These habitats provide home and nesting sites to four species of endangered sea turtles as well as many commercially important marine resources such as conch, lobster, and reef fish.

3. Coastal and marine resources offer an opportunity for accelerating inclusive sustainable growth and productivity. Tourism-related activities are critical for the creation of jobs for communities and for earning foreign currency. Marine-based tourism is a key sector for employment and revenue generation and will be critical for the country's economic recovery from the COVID-19 pandemic. The World Travel and Tourism Council noted that in 2019, close to 7,000 people were directly employed in the tourism industry, and the Ministry of Tourism, Civil Aviation, Sustainable Development, and Culture (MoTCASDC) estimates that total jobs in the industry in 2019, including indirect jobs, totaled 20,000, representing 10–15 percent of employment in the country.⁵ The ministry cites marine-based tourism as essential to this employment as well as the recovery from economic impacts of the COVID-19 pandemic, including yacht and cruise ship tourism.⁶ In addition to employment benefits related to coastal and marine resources, they are essential for providing environmental services and nature-based solutions to climate mitigation and adaptation. For example, coral reefs in the country serve as a habitat to a multitude of different species of fish, invertebrates, and sea mammals, providing a location for spawning, nursery, refuge, and feeding for a multitude of marine organisms. The high fish population within reefs makes them a great catchment area for fishing, which is another key sector for employment and economic sustainability.⁷ Coral reefs also provide regulatory benefits such as acting as natural breakwaters, thus minimizing wave impacts during storms, protecting the coastline from wave erosion, and contributing to the country's resilience to climate change impacts.

4. Despite the value of its coastal and marine resources, several causes have contributed to the declining quality of land-based, coastal, and marine biodiversity in St. Vincent and the Grenadines.⁸ Anthropogenic threats to coastal and marine biodiversity, some of which are due to land-based activities, are numerous and include climate change, habitat destruction, and modification due to inappropriate land clearance for development in coastal areas; agriculture, fuelwood, and illegal cultivation and settlement; the introduction of exotic and invasive alien species; and inappropriate use of chemicals that eventually leach into coastal and marine areas. Additionally, many of the coastal protection ecosystems such as dunes, mangroves, and reefs have been removed or are degraded, which exacerbate the vulnerability of coastal infrastructure to storm and hurricane activity (particularly wind and storm surges). The country's location within the hurricane belt, and exposure to the rough Atlantic waves on the eastern shoreline, has also increased the incidence and risks of erosion, storm surges, and flooding.⁹ These risks are exacerbated by climate change and sea level rise. The average GDP losses from natural disasters

⁵ <https://www.iwnsvg.com/2021/02/07/svg-tourism-could-expect-an-uptick-by-2023/>.

⁶ Ibid.

⁷ Approximately 7 percent of the total labor force is engaged directly or indirectly in the fishing industry, which creates employment for an estimated 2,500 fishers and more than 500 others in supporting services. Approximately 1.8 million pounds of fish are landed annually, of which 200,000 pounds are exported.

⁸ St. Vincent and the Grenadines Revised National Biodiversity Strategy and Action Plan (2015–2020).

<https://www.cbd.int/doc/world/vc/vc-nbsap-v2-en.pdf>.

⁹ World Bank Climate Change Knowledge Portal. St. Vincent and the Grenadines Country Profile.

<https://climateknowledgeportal.worldbank.org/country/st-vincent-and-grenadines>.



between 1998 and 2017 are estimated at 1.2 percent per year—more than half the GDP growth rate over those two decades.¹⁰

5. St. Vincent and the Grenadines has documented its commitment to protect its coastal and marine ecosystems through several initiatives, though their implementation remains weak. Its National Economic and Social Development Plan (NESDP) 2013–25¹¹ includes a specific set of strategic goals, objectives, and targets, including Goal 4 of “Improving Physical Infrastructure, Preserving the Environment and Building Resilience to Climate Change,” which seeks to preserve the country’s delicate environment and mitigate the effects of climate change. One specific target is to protect 20 percent of its near-shore marine and coastal resources by 2020, though there is no significant progress towards achieving this goal. The country undertook analyses and drafted plans for coastal and marine zoning¹², which were used to inform the National Oceans Policy and Strategic Action Plan (NOPSAP). The NOPSAP was approved on July 18, 2018 with an overall goal of the NOPSAP is to optimize the economic contribution and environmental benefits of ocean resources, through a sustainable, coordinated, and integrated national governance framework. The NOPSAP lays out the Government’s vision and framework for optimizing the economic contribution of coastal and marine resources and developing a sustainable blue economy.¹³ A National Oceans Coordinating Committee (NOCC) has been appointed by the Cabinet to advise the Government on the implementation of the NOPSAP and broader aspects of ocean governance in the country. While the necessary administrative provisions have been made to enable the Sustainable Development Unit (SDU) in the MoTCASDC to serve as the Secretariat to the NOCC, the NOCC itself is not yet fully operational, meaning that the vision of the NOPSAP is not effectively coordinated or implemented.

6. The Cabinet approved the revised version of the NOPSAP and appointed the Permanent Secretary in the MoTCASDC as the Chairperson of the NOCC on July 21, 2021. It is designed to enhance and build upon the original NOPSAP (2018) by simplifying its structure and ensuring its harmonization with the overarching sub-regional ocean policy, the enhanced Eastern Caribbean Regional Ocean Policy (ECROP). It recognized an ecosystem-based approach is essential with co-ordination across planning and management of activities affecting the marine area and to embed social and environmental considerations within national policy development. It emphasized transition to a more integrated governance approach that considers all uses, users and values and integrates environmental management directly with economic development, fiscal policy, and social goals. The updated NOPSAP has 13 policy principles to achieve the overall goal.

7. Operationalization of the commitments of St. Vincent and the Grenadines under the NOPSAP, including the strengthening of the NOCC, is critical to change the current trajectory toward the effective coordination of policy and activities for the sustainable management of coastal and marine resources. The existing gaps in the regulatory and institutional framework, coupled with rapid urbanization and intense use of coastal and marine resources, have resulted in degradation of these ecosystems, including

¹⁰ World Bank Supports Fiscal and Climate Resilience in Saint Vincent and the Grenadines. Press Release, June 2019. <https://www.worldbank.org/en/news/press-release/2019/06/06/world-bank-supports-fiscal-and-climate-resilience-in-saint-vincent-and-the-grenadines>.

¹¹ St. Vincent and the Grenadines National Economic and Social Development Plan (NESDP) 2013–25 <http://finance.gov.vc/finance/index.php/economic-planning-industry-and-social-development/national-economic-a-social-development-plan>.

¹² <https://marineplanning.org/projects/caribbean/st-vincent-the-grenadines/>.

¹³ This aligns with NESDP Goal 1 (Objectives 1.1 and 1.3) and Goal 4 (Objective 4.7).



through overfishing, industrial and agricultural runoff, solid waste, wastewater runoff, dredging, and dumping. Effective and coordinated spatial planning and enforcement of environmental and oceans policies can mitigate the degradation of coastal and marine areas while maximizing their economic potential through sustainable approaches.

8. **These challenges are compounded by the lack and limited use of coastal and marine environmental data.** There is an urgent need to (a) collate existing coastal and marine environment data sets into an updatable, spatially explicit database managed by the agency responsible for coastal zone management; (b) conduct the necessary geophysical and ecological assessments to develop a robust baseline which will enable timely detection of environmental changes or risks and the identification of appropriate mitigation actions; and (c) develop a program for ongoing data collection, analysis, and production of national statistics on the state of the marine environment and resources. By implementing these approaches and making data publicly accessible, the country can not only build its capacity to generate and manage coastal and marine data but also utilize this data to inform decision-making, policies, and medium- and long-term planning.

9. **Scientifically informed coastal and marine plans and coordinated management and enforcement will lead to sustainable interventions in the coastal zone that will strengthen its resilience.** The coastal environment is a dynamic place—sea level changes, natural resources shift, and patterns of human use vary. Due to the complex and dynamic nature of environmental problems and the effects that human behaviors and actions have on these ecosystems, it is important to approach coastal and marine planning and governance as an adaptive process where plans and policies are periodically reviewed and updated based on scientific data, practical experience, and learning. Mechanisms must also be put in place to ensure accountability, transparency, and sharing of information, both within the Government and with the public.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

To strengthen the management of coastal and marine ecosystems of St. Vincent and the Grenadines.

Key Results

- (a) Area of coastal and marine habitat under improved practices (excluding protected areas) to benefit biodiversity as a result of the Project (Ha)
- (b) National Environmental Data and Information Platform (NEDIP) operational (Yes/No)
- (c) Direct beneficiaries of the project (number, disaggregated by gender).

D. Project Description

10. **The project seeks to address the challenges for coastal and marine management in St. Vincent and the Grenadines, including anthropogenic pressures, institutional fragmentation, policy and regulatory inadequacies, and lack of adaptive capacity through data-driven solutions.** The project includes three key interacting components implemented in parallel. Component 1 supports institutional strengthening for coastal and marine management across all relevant sectors and will address challenges



of institutional fragmentation and policy and regulatory inadequacies primarily through support to operationalize the NOCC and achieve actions under the NOPSAP. These activities will indirectly affect anthropogenic pressures through more robust and consistent enforcement of policies and monitoring to ensure the sustainable use of coastal and marine resources. Component 2 will support pilots to demonstrate spatial planning and innovative financing arrangements, environmental mitigation and management, participatory conservation and protection, improved livelihoods, nature-based tourism, and alternative natural resource use. These pilots will test approaches for mitigating anthropogenic pressures on coastal and marine resources, and the lessons learned from the pilots will inform adaptive capacity through policy measures in Component 1 and data management in Component 3. With regard to the latter, Component 3 will support the development of a permanent and publicly accessible knowledge and data repository within a new NEDIP, beginning with existing coastal and marine data. Relevant and available biophysical and planning information will be maintained there, as well as information on pilot activities. This component will address the challenges of adaptive capacity by enhancing data, analysis, and monitoring of coastal and marine resources to inform data-driven approaches.

Legal Operational Policies

Triggered?

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|---|----|
| Projects on International Waterways OP 7.50 | No |
| Projects in Disputed Areas OP 7.60 | No |

Summary of Assessment of Environmental and Social Risks and Impacts

11. Environmental and Social Risk Rating is moderate under the Environmental and Social Framework. Most of the activities are technical assistance in nature and will not pose any significant environmental risks and impacts. All technical assistance activities under the project will be carried out under terms of reference to be approved by the Bank and that will incorporate applicable ESF requirements. The potential adverse risks and impacts on the environment and social are related to the design and implementation of policies in relation to coastal and marine ecosystems, as well as the pilot aspects of Component 2. Considering the environmental conservation characteristic of the component, all effects on coastal and marine resources management are expected to be positive.

12. To adequately address the potential E&S risks and impacts, the implementing agency developed and consulted with stakeholders the following E&S instruments: (i) an Stakeholder Engagement Plan (SEP), with a Grievance Redress Mechanism (GRM); and (iii) Labor Management Procedures (LMP) with a dedicated GRM for workers. The SEP and LMP will be finalized and disclosed at the Recipient's and Bank's external website by appraisal. The Recipient will develop, consult, adopt and disclose an Environmental and Social Management Framework (ESMF) including an E&S baseline of the 4 pilot sites, and E&S assessment of potential impacts, general mitigation measures and guidelines for the development of subsequent Environmental and Social Management Plans (ESMPs), within 90 days of the Grant Agreement's effective date. Given that some of the pilot activities may generate restriction of access to some areas to prevent further degradation of biodiversity of the marine resources and coastal areas, a Process Framework (PF) will



be prepared, consulted upon, adopted and disclosed prior to the enforcement of any restriction and within 90 days of the Grant Agreement's date. In addition, the implementing, in agreement with the Bank, prepared an Environmental and Social Commitment Plan (ESCP) which covers all measures and actions needed to ensure compliance with the ESF and the Project's E&S instruments.

E. Implementation

Institutional and Implementation Arrangements

13. The Government of the St. Vincent and the Grenadines (GoSVG) will implement the project through the SDU within the MoTCASDC. A Project Implementation Unit (PIU) will be established at the SDU. The SDU, through the PIU, will oversee day-to-day project implementation and will be responsible for overall coordination among the different stakeholders working in coastal and marine ecosystem. The ministry will assign additional key staff (director, deputy director, financial management [FM] officer and procurement officer) of the PIU, and salaries of these staff will be paid from the regular Government budget. The Public Sector Investment Programme Management Unit (PSIPMU) within the Economic Planning Division at the Ministry of Finance, Economic Planning, and Information Technology (MoFEP), experienced in World Bank-funded operations, will be responsible for providing support on the fiduciary, M&E, and environmental and social risk management aspects and will work in a coordinated way with the PIU. The Gender Affairs Division at the Ministry of National Mobilisation, Social Development, Family, Gender Affairs, Youth, Housing and Informal Human Settlement will assign an officer to provide technical support on mainstreaming the gender agenda of the project. In addition to the Government staff, the PIU will include one administrative officer, several technical specialists/consultants, and environmental and social consultants for the day-to-day implementation of the project. This arrangement will be further reviewed throughout implementation including at midterm, based on the capacity developed at the MoTCASDC and the possibility of merging the fiduciary responsibilities with the PIU established for the forthcoming World Bank-funded UBEC Project (P171833).

14. The NOCC, established to advise the Government on the implementation of the NOPSAP and broader aspects of ocean governance in St. Vincent and the Grenadines, will play an important role in project management. The project will not establish any separate Steering Committee. The NOCC chaired by the Permanent Secretary of MoTCASDC, in addition to its regular scope of work, will serve as the Steering Committee for the project and provide strategic and programming direction. It will help in building an institutional coordination mechanism related to coastal and marine activities. The project will support the NOCC's operations guidance manual, and the Project Operational Manual (POM) will specify the role of the NOCC as the Steering Committee.

15. A Technical Advisory Group (TAG)¹⁴ will support information sharing and contribute to improving coordination among stakeholders for project implementation. The MoTCASDC will facilitate the formation of the TAG, which will not be a decision-making body but will support the common approaches for ecosystem management and help build synergies between project-funded and non-project-funded initiatives. The TAG will comprise members from the SDU, technical focal points in the respective line ministries and agencies, NGOs, civil society organizations (CSOs), and the private sector.

¹⁴ The project preparation has been supported by a Project Preparation Team formed by the Government, which comprises multiple stakeholders.



The terms of reference (ToR) of the TAG will be agreed with the World Bank, and the group will be formed within 60 days of project effectiveness.

16. The administrative responsibility of the Project will lie on the SDU and its line ministry, the MoTCASDC. The MoTCASDC through MoFEP will be the designated recipient of the GEF. The SDU through the PIU will oversee the day-to-day Project implementation and will be responsible for generating technical inputs for each component. The PIU will also lead the pilot activities in coordination with the relevant technical agencies, NGOs, communities, and other stakeholders. Based on the site-specific assessment during the early stage of Project implementation, PIU/SDU will enter into sub-grant agreements with NGOs for implementing the parts of the pilot activities upon securing the Bank's no objection. NGOs may include CBOs, provided they are duly registered before local authorities, have legal capacity to contract and have been deemed eligible by the Bank. Preference will be given to the organizations that have ongoing conservation activities on the piloting sites. All other piloting activities will follow the Procurement Regulations. During the implementation of the pilot activities, the PIU/SDU will consult multiple stakeholders including the private sector, SVGCF, NGOs, and CBOs for potential scaling up the pilot activities. It may be noted that the outcomes of Component 1 could result in adjustments to institutional arrangements for the Project at the later stage.

17. The implementation of the project will be guided by a POM, which is under preparation. The POM will be endorsed by the MoTCASDC within 30 days of the Grant Agreement's effectiveness. The POM will be considered a living document and can be updated periodically in consultation with the World Bank.

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APPROVAL

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