



Report Number: ICRR0024881

1. Program Information

Country Grenada	Practice Area (Lead) Macroeconomics, Trade and Investment
Programmatic DPF	
Planned Operations 0	Approved Operations 0
Operation ID P176663	Operation Name Grenada Recovery and Resilience DPC1

L/C/TF Number(s) IDA-71230	Closing Date (Original) 31-Dec-2023	Total Financing (USD) 25,000,000.00
Bank Approval Date 25-May-2022	Closing Date (Actual) 31-Dec-2023	
	IBRD/IDA (USD)	Co-financing (USD)
Original Commitment	55,000,000.00	0.00
Revised Commitment	55,000,000.00	0.00
Actual	55,000,000.00	0.00

Country Grenada	Practice Area (Lead) Macroeconomics, Trade and Investment
Operation ID P178930	Operation Name Grenada Recovery and Resilience DPC2 (P178930)



L/C/TF Number(s) IDA-73850	Closing Date (Original) 31-Dec-2024	Total Financing (USD) 30000000.00	
Bank Approval Date 20-Jul-2023	Closing Date (Actual) 31-Dec-2024		
	IBRD/IDA (USD)	Co-financing (USD)	
Original Commitment	30,000,000.00	0.00	
Revised Commitment	30,000,000.00	0.00	
Actual	30,000,000.00	0.00	
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2. Program Objectives and Pillars/Policy Areas

a. Objectives

The Project Development Objective (PDO) for the Grenada Recovery and Resilience Programmatic Development Policy Credit (DPC) as stated in the program documents (PD DPC1, p. 3) was to support Grenada’s recovery through two pillars: (i) Promoting a greener and more climate-resilient economy; and (ii) Improving sustainability, inclusiveness and accountability of fiscal management.

The financing agreements do not present the PDO.

For the purpose of this ICRR, the objectives of the DPC series against which outcomes will be assessed are:

- PDO1: To promote a greener and more climate-resilient economy.
- PDO2: To improve the sustainability, inclusiveness, and accountability of fiscal management.

b. Pillars/Policy Areas

The DPC series was designed around two pillars and policy areas that corresponded to the PDOs:

Pillar 1: Promoting a greener and more climate-resilient economy

- Disaster Risk Management (DRM)
- Energy efficiency and scaling up renewable energy



- Data Protection

Pillar 2: Improving sustainability, inclusiveness and accountability of fiscal management

- Revenue mobilization
- Climate and Gender Budgeting
- National Unemployment Insurance program
- Statistical system
- Fiscal transparency

c. Comments on Program Cost, Financing and Dates

The total program cost was US\$55.0 million. DPC1 comprised an International Development Association (IDA) credit of US\$25.0 million while DPC2 comprised an IDA credit of \$30.0 million. Both credits were fully disbursed as scheduled.

- **DPC1** with an was approved on May 25, 2022, became effective on June 1, 2022, and closed as scheduled on December 31, 2023.
- **DPC2** was approved on July 20, 2023, became effective on August 1, 2023, and closed as scheduled on December 31, 2024.

3. Relevance of Design

a. Relevance of Objectives

At appraisal in 2022, Grenada was recovering from the economic and social impact of the COVID-19 pandemic. Gross Domestic Product (GDP) growth contracted by 13.8 percent in 2020, disproportionately affecting the poor and most vulnerable groups. Grenada also recorded a fiscal deficit of 4.6 percent of GDP in 2020. This led to the suspension of the Fiscal Responsibility Act (FRA) which was adopted in 2015. As a small island economy highly dependent on tourism, Grenada faced challenges related to limited economic diversification, high vulnerabilities to climate change and natural disasters, and exposure to external shocks. Unemployment was high and disproportionately affecting women (20 percent compared to 12 percent for men in 2019) who were also more vulnerable to shocks in the tourism sector, a major source of female employment.

The PDOs were aligned to the Government of Grenada (GoG) National Sustainable Development Plan (NSDP) 2020-2035, which sought to achieve sustainable, social, and climate-resilient, inclusive growth. They were also aligned with the World Bank Group's (WBG) strategy for the region, and the Organization of Eastern Caribbean States (OECS) Systematic Regional Diagnostics (2018) which aimed to build resilience to external shocks from a 360 perspective.[1] Building on the disaster risk-management agenda, the DPO reflected a comprehensive view of resilience and encompassed fiscal risks, financial sector resilience, and the preservation of human and natural capital, providing the environment that protects the development path



from external shocks and natural hazards, and setting the foundations for stable, resilient growth. The PDOs were also aligned to the OECS FY2022-2025 Regional Partnership Framework (RPF).

PDO1 was relevant in building resilience to climate shocks, including climate change adaptation and mitigation policies, and reforms to diversify the economy. PDO2 was relevant in helping the economy return to a sustainable debt path, by strengthening fiscal sustainability and transparency, and by fostering inclusion in public spending, via gender and climate budget targeting, and the introduction of an income support program.

The DPC series was an appropriate instrument of WBG support, supporting the return to Grenada’s reform path interrupted by the pandemic and the resumption of fiscal sustainability, after three years of interruption of the FRA.

[1] The WBG strategy for Grenada is covered under the OECS Regional Partnership Framework (RPS/RPF) for the Eastern Caribbean States for the period FY22–FY25: World Bank. 2022. Organization of Eastern Caribbean States - Regional Partnership Framework for the Eastern Caribbean States for the Period FY22-FY25. Washington, D.C.: World Bank Group.

<https://documentsinternal.worldbank.org/search/33805694>

b. Relevance of Prior Actions

Rationale

DPC1 included nine prior actions (PAs) with 9 indicative triggers (ITs). DPC2 was comprised of 9 PAs, incorporating 5 of the ITs from DPC1. Two ITs were changed (IT2 and IT5) and two were dropped (IT4 and IT9). IT2, which had related to the energy efficiency bill, was replaced by the Generation Code, an instrument more aligned with GoG’s evolving priorities, which shifted from the use of energy to energy generation (TTL interview). Similarly, while tax policy remained a key area under DPC2, IT5 —centered on Value Added Tax (VAT) and Personal Income Tax (PIT) — was dropped due to timeline constraints, and replaced by PA9 and PA10, which focused on increases in environmental and excise taxes, (TTL Interview). VAT and PIT reforms continued to be supported under the Digital Government for Resilience project (P167588; PD2, p. 23). Implementation of reforms related to data protection and statistics (IT4 and IT9) was dropped in DPC2 due to changes in key staff supporting these reforms (ICR, paras. 7 and 13). DPC2 added PA18, a reform to promote greater transparency of the National Transformation Fund (NTF).

Table 1: Objectives, Prior Actions (PAs) and Indicative Triggers (ITs) for the Grenada Recovery and Resilience Programmatic DPC

DPC 1	Indicative Triggers (IT)	DPC 2
PDO 1: To promote a greener and more climate-resilient economy		
PA1 (DPC1-PA1): The Recipient has approved the “Disaster Management Bill, 2022” for tabling in Parliament to steer national policy and to	IT1: to implement the DM Act and to enhance disaster and climate resilience, the Recipient, through its Cabinet,	PA2 (DPC2-PA1): The Recipient has enacted the Disaster Management Act, which develops, promotes, and implements a disaster reduction and management



enhance disaster and climate resilience.	has approved the Disaster Management Regulations.	approach, to enhance disaster and climate resilience.
PA3 (DPC1-PA2): The Recipient has approved regulations establishing an electricity tariff setting methodology to promote (i) efficient operations and energy usage, (ii) long term viability and sustainability of electricity service, and (iii) investment in renewable generation and network.	IT2: The Recipient has submitted the Energy Efficiency Bill to Parliament, to establish a comprehensive framework for promoting energy efficiency and mitigating climate change. [replaced in DPC 2 by Generation Code]	
		PA4 (DPC2-PA2): The Recipient has approved the Generation Code of Grenada Grid Code, which establishes the requirements for economic least-cost dispatch and operation of private renewable generation to ensure system reliability and maximize reduction in thermal generation mitigating climate change.
PA5 (DPC1-PA3): The Recipient has approved regulations on electricity generation expansion planning and competitive procurement to support a greener and low-carbon development by (i) scaling up renewable energy investment by the private sector, (ii) reducing greenhouse gas emissions, and (iii) increasing the sustainability and affordability of electricity supply.	IT3: The Recipient, through its Cabinet, has approved the updated National Energy Policy to include increase in renewable energy and energy efficiency with targets, an action plan, and monitoring framework, to reduce GHG emission and mitigate climate change.	PA6 (DPC2-PA3): The Recipient has approved the updated National Energy Policy, which increases the renewable energy and energy efficiency targets to reduce GHG emissions and mitigate climate change.
PA7 (DPC1-PA4): The Recipient has approved the “Data Protection Bill, 2022” for tabling in Parliament to increase trust in digital transactions with private and public sector stakeholders by	IT4: The Recipient, through its Cabinet, has approved the establishment of the independent (technical, financial, and political) Agency that enforces the Data Protection Act. [Dropped]	



safeguarding personal data of individuals.		
PDO2: To improve sustainability, inclusiveness and accountability of fiscal management		
PA8 (DPC1-PA5): The Recipient has approved the online issuance of property tax notices by March 2023, as part of a medium-term strategy to improve tax administration.	IT5: The Recipient has approved (i) the mandatory online tax filing of VAT and PIT for large businesses; and (ii) the operation of a unified online tax payment system that allows online payment of all tax categories. [Replaced in DPC2 by increases in excise taxes on electricity, water, alcohol, cigarettes and sweetened beverages]	
		<p>PA9 (DPC2-PA4): The Recipient has enacted an amendment to the Environmental Levy Act which: (a) restores a tax of EC\$5 on electricity consumption for 100 - 150 kWh and EC\$10 for Over 150 kWh; and (b) sets a tax of EC\$5 on water consumption for 2,801 - 5,500 gallons and EC\$10 for Over 5,500 gallons, to mitigate climate change impacts and reduce energy and resource consumption.</p> <p>PA10 (DPC2-PA5): The Recipient has enacted an amendment to the Excise Tax Act, which: (a) increases the excise tax on alcohol from EC\$1.10/EC\$4.40 per liter to EC\$1.50/EC\$5.00 per liter and cigarettes from 105% to 200%; and (b) increases the value added tax on sweetened beverages from 15% to 20%, to strengthen fiscal sustainability and promote public health.</p>
PA11 (DPC1-PA6): The Recipient has approved the development of a climate change budget tagging methodology by the Ministry of Finance to identify and manage climate spending.	IT6: The Recipient has approved the application of the climate change budget tagging approach to annual budget bills, to better identify and mobilize fiscal resources toward climate resilience building.	PA12 (DPC2-PA6): The Recipient has approved mandatory climate change budget tagging requirements to be abided by its Ministries for Agriculture, Infrastructure, and Climate Resilience, which categorize, measure, and monitor climate-relevant public expenditures to better identify and mobilize fiscal resources toward climate resilience building.
PA13 (DPC1-PA7): As part of its policy to promote gender	IT7: The Recipient has approved the publication of	PA14 (DPC2-PA7): The Recipient has approved mandatory gender statements



<p>inclusivity, the Recipient has decided to mainstream gender considerations in the national budget on a pilot-basis for the 2022 budget.</p>	<p>the budget documentation that includes information on the impact of budget policy proposals on men, women, and gender equality for all Ministries, Departments, and Agencies.</p>	<p>requirements to be abided by all its ministries and departments, which includes the impacts of budget policy proposals on gender issues and priorities for the Recipient’s annual budget to be gender-responsive and gender-sensitive.</p>
<p>PA15 (DPC1-PA8): The Recipient has approved a proposal to support the implementation of a permanent funded unemployment insurance programme and appointed the National Insurance Scheme (NIS) as the implementing agency to drive the process of developing the final framework and drafting legislation for the introduction of said permanent programme.</p>	<p>IT8: The recipient has approved, through its parliament, the amendment to the National Insurance Act to include a permanent funded unemployment insurance programme to enhance workers' income protection mechanisms against shocks, including natural disasters.</p>	<p>PA16 (DPC2-PA8): The Recipient has enacted amendments to: (a) the National Insurance (Collection of Contributions) (Amendment) Regulations and the National Insurance (Self-Employed Persons) (Amendment) Regulations, which increase the contribution of self-employed person rate by one (1) percent; and (b) the National Insurance (Unemployment Persons) Regulations which include a permanently funded Unemployment Insurance Programme; to improve the Recipient’s pension system sustainability and enhance workers' income protection mechanisms against shocks, including climate induced natural hazards.</p>
<p>PA17 (DPC1-PA9): The Recipient has approved a proposal for the establishment of the semiautonomous National Statistical Institute of Grenada to strengthen the country’s statistical system.</p>	<p>IT9: To strengthen the country’s statistical system, The Recipient: (i) has submitted to Parliament for approval the Statistics Bill which modernizes the National Statistics System; and (ii) through its Cabinet, adopted the National Strategy for the Development of Statistics. [Dropped]</p>	
		<p>PA18 (DPC2-PA9): The Recipient has approved the annual publication of the total of NTF flows, NTF-funded projects, and the balance of the Contingency Fund, in the Recipient’s annual budget on a yearly basis starting 2024 onwards, to improve fiscal transparency and fiscal resilience.</p>

Source: ICR

PDO1: To promote a greener and more climate-resilient economy.

Disaster Risk Management (DRM)



PA1 (DPC1-PA1) and PA2 (DPC2-PA1) supported a climate-resilient economy through the enactment and implementation of the Disaster Management Act (DMA), which sought to implement a disaster risk reduction and management framework. Grenada lacked an institutionalized approach to DRM (PD DPC1, p. 23). The DMA strengthened DRM through a dedicated agency, gender-sensitive implementation, and regularly updated disaster management (DM) plans. It also introduced a risk-layering approach to finance post-disaster response, including contingent financing through the national budget, the National Transformation Fund (NTF), contingent lines of credit (e.g., Catastrophe Deferred Drawdown Option), and risk-transfer insurance products (ICR, para. 4). PA1 and PA2 institutionalized the DM agency and the requisite financing and staffing resources needed for a comprehensive approach to DRM and a more climate-resilient economy. The DM Act was the first in the Caribbean to specifically address disaster risk financing. **Relevance of PA1: Highly Satisfactory (HS). Relevance of PA2: Highly Satisfactory (HS).**

Energy efficiency and renewables

PA3 (DPC1-PA2), PA4 (DPC2-PA2), PA5 (DPC1-PA3), and PA6 (DPC2-PA3) supported PDO1 in the following ways: by achieving Nationally Determined Contribution's commitments, reducing reliance on traditional and more Greenhouse Gas (GHG)-intensive energy sources, lowering dependence on imported fossil fuels and exposure to volatile global commodity prices, and fostering investment in renewable energy.

PA3 (DPC1-PA2) sought to foster investment in energy efficiency and contribute to a greener and more climate-resilient economy by adopting regulations for an electricity tariff-setting methodology. This reform ensured that costs under power purchase agreements could be passed through to consumers via tariffs, thereby reassuring private investors of the utility's ability to fully recover power purchase costs and enhancing transparency and predictability in the utility's financial assessments (ICR, paras. 4-5). PA3 was highly relevant to a greener economy (PDO1), as the tariff methodology was expected to lead to improvements in energy efficiency, attract investments in renewable energy, and support the scaling up of renewable energy generation, to reduce GHG emissions. **Relevance of PA3: Highly Satisfactory (HS).**

PA4 (DPC2-PA2) aimed to ensure predictable and non-discriminatory access to the power grid for the connection, operation, and dispatch of new energy from renewable sources (ICR, para. 5). Through the approval of the Generation Code within Grenada's Grid Code, PA4 specified the technical and operational conditions to level the playing field for private generators. PA4 would promote a greener and climate-resilient economy by incentivizing production of renewable energy and its integration into the grid, thus helping to reduce dependence on imported fossil fuels. **Relevance of PA4: Highly Satisfactory (HS).**

PA5 (DPC1-PA3) sought to scale up renewable energy by supporting regulations for the expansion of electricity generation through the establishment of documents, criteria and processes for competitive procurement of new power generation (PD DPC1 p. 25 and ICR, para. 5). PA5 was highly relevant in promoting a greener and climate-resilient economy by incentivizing private investment in renewables, crucial for reducing fossil fuel-dependence and GHG emissions. **Relevance of PA5: Highly Satisfactory (HS).**

PA6 (DPC2-PA3) sought to strengthen Grenada's energy strategy by updating the National Energy Policy (NEP) and aligning it with existing legislation, regulations, and commitments (PD, p. 25). NEP goals included achieving a sustainable mix of renewable energy generation, energy storage and resilient systems and networks; and shifting to cleaner and more efficient transport modalities (ICR, para. 5). PA6 was highly relevant to a greener economy as it aimed to reduce GHG emissions by promoting renewables while also



increasing the efficiency of all existing sources of energy, as it was not possible to replace all fossil fuels with renewables. **Relevance of PA6: Highly Satisfactory (HS).**

Data Protection

PA7 (DPC1-PA4) laid the legal foundation for the digital economy, which would address businesses' vulnerability to climate shocks by enabling business continuity, access to services during emergencies and management of disaster risks. This PA was expected to contribute to climate resilience by supporting businesses in diversifying the economy and reducing Grenada's overreliance on the tourism sector. As the absence of a legal framework for data protection posed a barrier to digital transformation, PA7 would contribute to improving climate resilience through the Data Protection Bill, which established principles for the use of personal and sensitive data and mandated the creation of an independent Data Protection Agency (DPA) under DPC2 (ICR, para. 7). The DPA was later dropped (IT4). The relevance of PA7 was weak as the results chain from the data protection legislation to climate-resilience was unclear. The ICR (p. 12) also notes that the link between data protection and a greener and more resilient economy was not strong. **Relevance of PA7: Moderately Unsatisfactory (MU).**

PDO2: To improve sustainability, inclusiveness and accountability of fiscal management.

Tax revenues

PA8 (DPC1-PA5) supported the introduction of digital notices for property taxes to avoid administrative costs and losses from physical issuance (ICR, para. 9). This reform, aimed at increasing tax collection and improving tax administration, was aligned with the Medium-Term Recovery Plan (MTRP) and the MTFP 2022-2024 published following the suspension of the fiscal rule (PD DPC1, p. 28 and 29). This PA was highly relevant for fiscal sustainability by improving property tax compliance (a key challenge in small states) through a more user-friendly and digitalized system. **Relevance of PA8: Highly Satisfactory (HS)**

PA9 (DPC2-PA4) and PA10 (DPC2-PA5) supported the introduction of the environmental levy (EVL) on water and electricity consumption and increased the excise tax on alcohol and VAT on sweetened beverages. Through higher tax revenue collection, both PAs were relevant for fiscal sustainability. PA9 also contributed to PDO1 by introducing incentives to rationalize water and electricity consumption through higher tax rates, bringing a double fiscal-climate dividend. While increases in tax receipts could be partly offset by reduced sales, the overall impact would still be positive given the low demand elasticity of most of these products (ICR, para. 9). Despite including some mitigation measures, these PAs could negatively affect the inclusiveness dimension of PDO2 in the short term because of their regressivity, as the taxed products represented a higher share of low-income households' consumption (ICR paras. 9 and 29). **Relevance of PA9: Satisfactory (S). Relevance of PA10: Satisfactory (S)**

Climate and gender budgeting

PA11 (DPC1-PA6) and PA12 (DPC2-PA6) supported the introduction of climate change budget tagging to identify and monitor climate-related public expenditures. At appraisal, there were proposals to amend the expenditure rule to exempt climate-related investments; however, doing so without reliable information could have undermined fiscal discipline. Accordingly, these PAs sought to support fiscal sustainability by ensuring that any expenditures considered for exemption were accurately identified and measured. Although this rationale weakened after the expenditure rule was eliminated by the 2023 FRA reform, climate budget tagging strengthened the government's capacity to prioritize, manage, and monitor climate-smart and



disaster-resilient investments (ICR, para. 10). **Relevance PA11: Highly Satisfactory (HS). Relevance PA12: Highly Satisfactory (HS).**

PA13 (DPC1-PA7) and PA14 (DPC2-PA7) supported mainstreaming gender in the budget, requiring the use of gender-disaggregated data to analyze gender-related programs and budget allocations. This was expected to improve the budgeting framework through more rigorous data analyses, which, in the longer term, would contribute to closing key gender gaps, responding to the aim of more inclusive and accountable fiscal management in PDO2 (ICR, para. 11). However, on its own, this would not ensure increased budget allocations for gender-related programs or improvements in their quality or effectiveness. **Relevance PA13: Satisfactory (S). Relevance PA14: Satisfactory (S).**

Unemployment insurance

PA15 (DPC1-PA8) and PA16 (DPC2-PA8) supported the implementation of Unemployment Insurance (UI) and its permanent funding through a higher contribution rate for employers and employees. Unemployment protection was not included in the National Insurance Scheme (NIS), but financed emergency benefits (i.e. climate hazards) at the cost of the National Insurance Fund's (NIF) long-term financial sustainability (PD DPC2, p. 31). These PAs were highly relevant for PDO2 as they addressed the sustainability and inclusiveness of fiscal policy by improving the financial health of the NIF, providing income protection to workers against shocks, and contributing to the economy's climate resilience (ICR, para. 12). **Relevance PA15: Highly Satisfactory (HS). Relevance of PA16: Highly Satisfactory (HS).**

Statistical system

PA17 (DPC1-PA9) supported strengthening Grenada's statistical system by promoting the establishment of a semi-autonomous National Statistics Institute (NSI) to overcome key data constraints for policy making, including DRM policies and measures to build climate resilience (PD DPC 1, p. 35). While an independent statistical agency could have helped with improved data collection, in the absence of a focus or mandate to collect fiscal data, the relevance for fiscal management was limited (ICR, para. 13), and the link with PDO2 was less clear. **Relevance PA17: Moderately Unsatisfactory (MU).**

Transparency

PA18 (DPC2-PA9) built on PA17 (not implemented) by supporting the publication of the National Transformation Fund's (NTF) financial activities, including those of the Citizenship-by-Investment (CBI) program whose revenues in 2025 reached 4.4 percent of GDP (TTL interview). Transparency of the NTF and the CBI accounts was weak as all CBI inflows were not recorded in the public budget, and the Contingency Fund (funded by 10 percent of NTF inflows) balance remained undisclosed (DPC2 and ICR p. 13). By requiring annual public disclosure of NTF inflows, funded projects, and the Contingency Fund balance, PA18 directly supported transparency, laying the path for greater fiscal accountability. **Relevance PA18: Highly Satisfactory (HS).**

Rating

Satisfactory



4. Relevance of Results Indicators

Rationale

Table 2. Results indicators (RIs) by Objective and PAs; baseline and target values; status and achievement

Result Indicators	Associated PAs	RI Relevance	Baseline	Target	Actual Value as of Targeted Date	Actual Change in RI Relative to Targeted Change	RI Achievement Rating
PDO 1: To promote a greener and more climate-resilient economy							
RI1: Percentage of ministries and agencies with an Operations Continuity Plan compliant with the DM Act	PA1; PA2	S	0 (2021)	30%(2024)	15%(June 2025)	50%	Modest
RI2: Amount of electricity generated via the Public Utilities Regulatory Commission's Self-Generator (PURC SG) program	PA3; PA4	HS	0.0 (2021)	2.0 MW (2024) (originally 5MW)	2.5 MW (May 2025)	125%	High
RI3: Electricity supply contracted from new renewable energy generation capacity under power purchase agreements with private investors, in accordance with Generation Expansion Planning and Competitive Procurement Regulations	PA5, PA6	HS	0.0 (2021)	2.0 MW (2024) (originally 5MW)	0.2MW (May 2025)	11%	Negligible
RI4: Number of ministries and	PA7	MS	0 (2021)	4 (2024)	0 (2024)	0%	Negligible



agencies with trained and certified information management/ data protection office							
PDO2: To improve sustainability, inclusiveness and accountability of fiscal management							
RI5: Tax revenue collected through EVL on electricity and water consumption	PA9	HS	EC\$0.0 (2021)	EC\$4.5 million (2024)	EC\$4.7 million (2024)	104%	High
RI6: Total tax revenue from the new health-related taxes on cigarettes, alcohol, and Sugar-Sweetened Beverages	PA10	HS	EC\$15.0 million (2021)	EC\$22.0 million (2024)	EC\$39.2 million (2024)	346%	High
RI7: Share of new capital projects tagged under the new climate change budget tagging methodology	PA11, PA12	HS	0 (2021)	60 (2024)	60 (2024)	100%	High
RI8: Number of programs presenting information on gender priorities in publicly available budget documentation, including sex disaggregated data and gender responsive budget measures (in accordance with the gender budgeting policy framework)	PA13, PA14	HS	2 (2021)	10 (2024)	25 (2024)	288%	High
RI9: Number of workers contributing to the UI fund	PA15, PA16	HS	0 (2021)	40,000 (2024)	50,000 (2024) 53,130 (May 2025)	125%	High
RI10: Accumulated flow into the contingency fund	PA18	S	0 (2021)	EC\$15 million (2024)	EC\$26 million (March 2024)	173%	High



Source: ICR

PDO 1: To promote a greener and more climate-resilient economy.

Disaster Risk Management

RI1 captured the adoption of the Continuity Plan which was compliant with the DM Act by government agencies and ministries. It tracked progress in PA1 (DPC1) and PA2 (DPC2), supporting DRM legislation that strengthened protocols and inter-agency cooperation in climate change resilience, directly contributing to PDO1. While it was an output as opposed to an outcome indicator, preparedness outcomes were hard to observe absent a disaster (which was acknowledged in the ICR, para. 36) and the RI reflected improvement towards the adoption of an institutionalized approach to DRM. **Relevance of RI1: Satisfactory (S).**

Energy efficiency and renewables

RI2 and **RI3** assessed the expansion of renewable energy, both through the Public Utilities Regulatory Commission Self-Generator (SG) program, as well as electricity supply contracted from new renewable energy generation capacity under power purchase agreements with private investors. Both indicators were closely linked to PA3 to PA6, which set up a regulatory framework to incentivize renewable energy generation and its integration to the grid, indicating progress towards PDO1. In DPC1, there was only one indicator for private electricity generation, but it was disaggregated into two indicators for DPC2 to distinguish between self-generation and commercial utility-scale projects by private developers (TTL interview). **Relevance of RI2: Highly Satisfactory (HS); Relevance of RI3: Highly Satisfactory (HS).**

Data Protection

RI4 aimed to assess the impact of the Data Protection Bill supported by PA7. As the ICR also states (p. 14), the link between trained government officials in data protection (RI4) and PA7 was indirect, and the path from RI4 to PDO1 was unclear, with RI4 measuring an intermediate output rather than an outcome. **Relevance of RI4: Moderately Satisfactory (MS).**

PDO2: To improve sustainability, inclusiveness and accountability of fiscal management.

Tax revenues

RI5 and **RI6** were closely linked to PA9 and PA10, which aimed to boost government revenues and improve fiscal sustainability (PDO2). The original RI5 (share of companies paying VAT and PIT tax online) in DPC1 was replaced according to the change in PA9 and PA10 (which focused on excise taxation instead of VAT and PIT). Both RI5 and RI6 measured increases in tax collections related to the introduction of environmental taxation and excise taxes on cigarettes and alcohol, and sugar-sweetened beverages, tracking progress in tax revenues and contributing to fiscal sustainability. **Relevance of RI5: Highly Satisfactory (HS); Relevance of RI6: Highly Satisfactory (HS).**

Climate and gender budgeting

RI7 measured the share of new capital projects tagged under the new climate change budget tagging methodology. It was closely linked to climate tagging PAs that sought to identify climate actions. RI7 was a process/output indicator that did not fully capture changes in budgetary allocations towards climate-resilient



investments. An additional indicator could have measured changes in budget allocations to capital projects tagged as climate relevant (relative to baseline pre-tagging). However, IEG agrees with the ICR (paras. 15 and 16) that recognized that the timeline was too short to measure this impact (ICR, para. 36) and thus deems this an appropriate indicator. **Relevance of RI7: Highly Satisfactory (HS).**

RI8 measured the number of programs presenting information on gender priorities in publicly available budget data, and could track progress in gender budgeting PAs (13 and 14). RI8 was a process/output indicator that could not track coverage, quality, and implementation of gender programs which was the longer-term desired inclusion-related outcome. An alternative indicator could have measured changes in budget allocations in tagged programs (relative to baseline pre-tagging). However, it measures an important and timely output indicator along the results chain. **Relevance of RI8: Highly Satisfactory (HS).**

Unemployment Insurance

RI9 tracked the number of workers contributing to the new Unemployment Insurance (UI) program related to PA15 and PA16 and was a good indicator of the outcome - success in expanding social protection against the risk of job loss. As the UI protected workers and created a new source of financing, RI9 contributed to capturing impact both towards inclusiveness and fiscal sustainability. The target was modest given that a large number of contributors in the National Insurance Scheme (NSI) were automatically enrolled in the UI (ICR, para. 17). **Relevance of RI9: Highly Satisfactory (HS).**

Transparency

RI10 tracked the accumulated flow of resources into the Contingency Fund. The latter was established in 2019 (financed by 10 percent of the CBI), but was not capitalized, and its level of funding remained undisclosed until the DPC2 reform (PA18). While PA18 was focused on NTF transparency, it was expected that a well-functioning NTF would generate an increase in the flow of resources (TTL interview). **Relevance of RI9: Satisfactory (S).**

Rating

Satisfactory

5. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

To promote a greener and more climate-resilient economy

Rationale

RI1: Only half of the 30 percent target was achieved (including the Health Ministry and six agencies and SOEs). Difficulties in the completion of Continuity Plans were partly due to the postponement of the WBG training workshop following Hurricane Beryl. **Achievement rating of RI1: Modest**



RI2: The actual value of the SG program (as of May 2025) exceeded the 2024 target (2.0 MW) by 25 percent, reaching 2.5 MW. Originally, this target was set at 5.0 MW (including RI3) but, at the time of DPC2, slower-than-expected progress led to a downward revision of the target for the two RIs (TTL Interview).

Achievement rating of RI2: High

RI3: The target for RI3 was only partially achieved, reaching 11 percent of the target, due to delays in attracting independent power producers associated with difficulties in obtaining financing. Still, there were projects under development totaling 3.83 MW and announcements in May 2025 of a large 15 MW project (ICR, para. 19). **Achievement rating RI3: Negligible.**

RI4: RI4 was not achieved due to challenges in training data protection officers, partly because the online modality and course contents were not always relevant to the officials' regular duties (ICR, para. 20).

Achievement rating RI4: Negligible.

Rating

Moderately Unsatisfactory

OBJECTIVE 2

Objective

To improve sustainability, inclusiveness and accountability of fiscal management

Rationale

RI5: Tax revenue collected through environmental levies (EVLs) on electricity and water consumption exceeded the target by 4 percent, strengthening fiscal sustainability by increasing overall revenues.

Achievement rating RI5: High.

RI6: Total tax revenue from the new health-related taxes on cigarettes, alcohol, and sugar-sweetened beverages surpassed the 2024 target, further contributing to fiscal sustainability. **Achievement rating RI6: High.**

RI7: The share of new capital projects tagged under the new climate change budget tagging methodology achieved the 60 percent target set for 2024. **Achievement rating RI7: High.**

RI8: The number of programs presenting information on gender priorities in publicly available budget documentation reached 25, exceeding the 10-program target. **Achievement rating RI8: High.**

RI9: The number of workers contributing to the UI grew to 50,000 in 2024 and 53,130 in May 2025, exceeding the 40,000-worker target. **Achievement rating RI9: High.**

RI10: measured the accumulated resources into the Contingency Fund of the NTF, which was exceeded by nearly 75 percent. **Achievement rating RI10: High.**



Missing/dropped RIs:

PA8 (DPC1-PA5) supported improvements in tax administration and tax collection through the introduction of digital notices for the property tax. No RI was included to measure progress in tax revenue collection due to PA8.

RI on PA17 (DPC1-PA9) was dropped as the reform area related to the National Statistics Institute (NSI) was abandoned in DPC2. The original indicator focused on the Percentage of Sustainable Development Goals Indicators produced by the NSI, as it was expected that a strengthened NSI would increase the number of reported indicators.

Rating

Highly Satisfactory

Overall Achievement of Objectives (Efficacy)

Rationale

The overall achievement of the objectives is rated **Satisfactory (S)**, based on a Moderately Unsatisfactory (MU) rating for PDO1 and a Highly Satisfactory (HS) rating for PDO2.

Overall Efficacy Rating

Satisfactory

6. Outcome

Rationale

The Overall Outcome rating for the DPC series is **Satisfactory (S)** derived from a **Satisfactory (S)** rating for the Relevance of PAs, and **Satisfactory (S)** rating for Overall Efficacy. While the relevance of most PAs was rated as Satisfactory or High Satisfactory, there were several missed targets for PDO1 (renewable energy investments, DRM continuity plans, and training in data protection).

a. Rating

Satisfactory



7. Risk to Development Outcome

The risk to sustaining the development outcomes underpinned by the DPC is rated Modest. The primary sustainability risk relates to limited administrative capacity, particularly in areas where implementation has proven challenging, including DRM operation continuity plans and data protection. The sustainability of development outcomes related to disaster management, data protection, gender-sensitive policy, and climate resilience depends on follow-up implementation (ICR p. 19). The ICR notes that NTF accountability will depend on the active role of the civil society groups. Excise tax reforms are likely to be sustained by the GoG as they increase tax revenues, and UI is likely to be sustained as it was funded. In October 2025, a workshop related to DM Operation Continuity Plans was held for 32 representatives from core ministries, who produced tailored drafts of Comprehensive Disaster Management Plans (CDMP), enhancing internal capacity to finalize and implement them (TTL interview).

The development outcomes are also expected to be sustained in areas where the WBG has continued providing support. The WBG continues to engage with the government on a new programmatic DPC and provides technical assistance in areas such as Disaster Management, renewable energy, and fiscal sustainability, among others (TTL interview).

8. Assessment of Bank Performance

a. Bank Performance – Design

Rationale

The design of the DPC series was informed by substantial analytical work drawing upon core diagnostics such as the OECS Systematic Regional Diagnosis and the OECS Regional Partnership Framework (RPF). Analytical underpinnings (PDs, Table 5) were introduced to sustain policy reforms for most of the PAs and the policy matrix. Macroeconomic, implementation capacity, and environmental risks were carefully assessed in the PDs, together with mitigation measures that could help alleviate them.

The reform agenda of the DPC series was developed in consultation with a wide range of stakeholders (involving the private sector, labor unions, and civil society, among others) as part of GoG consultative processes. The WBG and the IMF collaborated during preparation, and the operation was aligned with programs of key development partners, including the European Union, Global Affairs Canada, the United Kingdom's Department for International Development, the US Agency for International Development, the German International Development Agency, and the Caribbean Development Bank (PD1, p.38).

There were a few weaknesses in design. The program included a large number of PAs, requiring a variety of institutional reforms that challenged government capabilities. As an example, the creation of three independent agencies – disaster management, data protection, and statistics- was not feasible because of limited human and fiscal resources. Indeed, two of these agencies (and PAs) were abandoned when key personnel advocating for them left the government, showing these reforms did not have broad government support. Besides, the links between these two areas (data protection and statistics system) with the PDOs were weak. As the ICR states, a simpler program with fewer PAs would have been more appropriate (see section on Lessons below). While most



RIs were relevant for measuring progress towards the PDOs, there were some weaknesses, such as the modest target of the RI on UI contributors. These limitations were recognized in the ICR (paras. 15-17).

Rating

Satisfactory

b. Bank Performance – Implementation

Rationale

During Implementation, the WBG demonstrated commitment to adapting to changing circumstances of the government, and the timelines for different reforms, modifying the program in DPC2 and abandoning or replacing triggers, when necessary, such as data protection, the statistics institute, and some taxation measures. It also responded flexibly to disruptions caused by Hurricane Beryl, which required postponing some planned activities (such as training workshops on DM Operation Continuity Plans), which were conducted later. While the replacement of VAT and CIT with excise taxation supported PDO2 by mobilizing resources, it included potential short-term effects on vulnerable populations, affecting the inclusiveness dimension of PDO2. Despite this, it provided a link to PDO1 by introducing incentives to reduce water and electricity consumption, thus promoting a greener and climate-resilient economy.

Rating

Satisfactory

c. Overall Bank Performance

Rationale

With Bank performance at implementation and design rated as Satisfactory, overall Bank performance is rated as **Satisfactory (S)**.

Overall Bank Performance Rating

Satisfactory

9. Other Impacts

a. Social and Poverty

Many reforms supported by the DPF programmatic series had potentially diverse social and poverty impacts but their benefits were expected to materialize in the medium to longer term (PD DPC2 p. 36). The introduction of



the Unemployment Insurance scheme enhanced social protection during the operation by providing coverage against job losses, thereby reducing households' vulnerability to income shocks. Enhancing climate resilience was particularly important for protecting vulnerable populations, although its ultimate impact will depend on its implementation (ICR, para. 28). The tax reforms may have also generated adverse distributional effects in the short-term, given the regressive nature of environmental and excise taxation. Mitigation measures were included to address regressivity (subsidies and minimum non-tax thresholds consumption for water and electricity taxes), but no data was provided to assess their distributional and poverty effects (ICR, para. 29).

b. Environmental

The operation had positive environmental impacts, mainly by incentivizing renewable energy production through an enhanced regulatory framework and by discouraging electricity and water consumption via the EVL, thereby contributing to reductions in GHG emissions. Measures supporting renewable energy showed uneven results, with targets that were achieved by the self-generation program (PURC) while attracting independent power producers took longer than expected (although there is evidence of large projects under development, ICR para. 19). While climate tagging increased transparency and allowed identifying resources allocated to climate change mitigation and adaptation, it did not by itself ensure higher execution of climate-related expenditures or improvements in the quality of these investments.

c. Gender

Gender impacts of the operation stemmed mainly from the introduction of gender-responsive budgeting. Mainstreaming gender in government programs should help to promote attention to gender gaps (ICR, para. 30), promoting greater transparency in how policies affect different population groups. Still, while this contributed to making government actions on gender inequality more visible, it is too soon to evaluate whether it translates into improvements in the quality or effectiveness of such policies.

d. Other

None.

10. Quality of ICR

Rationale

The quality of the ICR is rated as **Substantial**. It was well structured and presented good evidence to validate the PDOs and the PAs. It also provided context details that explained well the relevance of the PAs for Grenada's priorities. The theory of change was clearly articulated. The ICR also addressed significant changes that transpired during the operation and led to the modification of several policy reforms, and modifications to indicative triggers for the second operation. However, the ICR fell shortly in discussing the relevance of some



RIs and in discussing how it measured progress towards the PAs and the PDOs (RI7, RI8, RI10). The ICR did not present the source of information for most of the RIs.

a. Rating

Substantial

11. Ratings

Ratings	ICR	IEG	Reason for Disagreement/Comments
Outcome	Satisfactory	Satisfactory	
Bank Performance	Satisfactory	Satisfactory	
Relevance of Results Indicators	---	Satisfactory	
Quality of ICR	---	Substantial	

12. Lessons

IEG concurs with the three lessons in the ICR and offers one additional lesson:

Development Policy Operations should focus on a limited number of high-priority prior actions to not overstretch implementation capacity. A very large number of prior actions in the Grenada DPC series created implementation challenges due to limited capacity. Reforms with only indirect relevance to the PDOs such as data protection and statistical institution-building—diluted the operation's focus and lowered its relevance. The creation of new independent institutions comes with the need for adequate staffing and resources which need to be carefully assessed beforehand.

13. Project Performance Assessment Report (PPAR) Recommended?

No