

TECHNICAL COOPERATION PROFILE

I. BASIC PROJECT DATA

Country/Region: Caribbean Region

Program Name/Number: Regional Disaster Risk Management for Sustainable Tourism in the Caribbean (RG-T1205)

Team Leader/Members: Leader: Javier Cuervo (RE3/EN3); other members: Karen Astudillo (RE3/OD6); Marlene Attz (SDS/ENV); Leonardo Corral (RE3/EN3); Gerónimo Frigerio (LEG/OPR); Kari Keipi (SDS/ENV); Laurence Telson (COF/CBA); David Tither (INT/RTC). Gisella Barreda (RE3/EN3) assisted in the preparation of this document.

Date of Request: October 31, 2005

Beneficiaries: Countries: Bahamas, Barbados, Jamaica, Belize, and Trinidad & Tobago. Regional Agencies: CDERA, CTO, UWI¹.

Executing Agency: Caribbean Disaster Emergency Response Agency (CDERA)

Financing plan:

IDB: (FRPG - OC)	US\$ 800,000
Co-financing: CDERA	US\$ 130,000
Other: CTO and UWI	<u>US\$ 70,000</u>
Total:	US\$1,000,000

Tentative dates:

Loan Committee/EVP:	June, 2006
DIR/PRE:	Early July 2006

II. BACKGROUND AND PROBLEM STATEMENT

A. Natural Hazards and their impact on tourism

- 2.1 By virtue of their geographical location, the countries of the Caribbean region face a common threat in natural hazards that negatively impacts the tourism sector. Tourism is the most significant economic activity in the Caribbean. The World Tourism and Travel Council reported that travel and tourism in the Caribbean region as a whole in 2004 accounted for 16% employment, 15% GDP, 22% capital investment, 18% total exports, and 9% government expenditure. It is not by chance that this region has been described as the most tourism-dependent region in the world. The prognosis for the sector is that it could account for an estimated US\$10bn of regional GDP in 2005 increasing this contribution to regional economic growth to approximately US\$20bn by 2015.

¹ Caribbean Tourism Organization and The University of the West Indies.

- 2.2 However, over the past twenty-six years, natural hazard events in the Caribbean region have caused US\$8bn in direct damage and possibly a similar or larger amount in indirect damage through, for example, loss of markets. Tourists see the Caribbean as one marketplace. If one part of the Caribbean is deemed to have been devastated, a reduction of flow of visitors will ensue in other parts of the region and unilateral actions by one country to reduce the vulnerability of the sector to natural disasters are less efficient if not concerted within a regional scope. This perception is exacerbated by the fact that over 65% of hotel rooms in the region are located in coastal areas. Storm surge models indicate that over half of these rooms may be vulnerable to a hurricane of Category 3 or stronger. In addition, inland attractions are often located on vulnerable mountainous or riverine environments.

B. Tourism sector and the environment

- 2.3 The natural environment is the primary product marketed in the region, and these natural assets help absorb the impact of some of the hazardous events. Regrettably, the tourism sector, either directly or indirectly, contributes to the degradation of this asset base, and as a consequence to the increase in vulnerability of the tourism product to natural hazards. A part of this problem is that Governments have been unable to make informed guidelines for investment in the sector due to limited data on the value of the natural resource base.
- 2.4 An appropriate framework for attention to disaster related planning in the tourism sector is the Caribbean Comprehensive Disaster Management Strategy and Framework. This is a regional effort, which was developed through extensive consultations, and endorsed by CARICOM and the sixteen CDERA member states, both regional organizations. The Framework identified among its priorities addressing the need for hazard information to be incorporated into development planning and decision-making, the insufficient preparedness, response, and mitigation capability in the region and the requirement that key economic sectors actively promote disaster management. This Regional Technical Cooperation aims to develop a regional disaster risk management strategy to address these issues.

III. PROGRAM OBJECTIVE AND DESCRIPTION

A. Objective

- 3.1 The objective of this operation is to develop a Regional Public Good that is a regional disaster risk management strategy for sustainable tourism in the Caribbean. Specific objectives include the development of standardized methodologies for:
- a. Addressing regional disaster risk management in order to reduce vulnerability to natural hazards in the tourist sector.
 - b. Vulnerability assessments and risk mapping in the Caribbean.
 - c. Deeper cooperation among Caribbean Governments through collaboration among the regional entities CDERA, Caribbean Tourism Organization (CTO), CARICOM,

Regional Organization for Standards and Quality (CROSQ), and the University of the West Indies (UWI) for the development of a framework for action to reduce the vulnerability of the most common and significant economic sector in the region to natural hazards.

B. Description

- 3.2 To fulfill this objective the project will address: (1) the development of a regional disaster risk management strategy for sustainable tourism; (2) advancing on the development of regional standardized methodologies for valuing the natural resources base which is common to most countries in the Region, (3) the formulation of standards for vulnerability assessments and risk mapping applied to the tourism sector; and (4) the strengthening of CTO, CDERA and their stakeholders in disaster risk management for sustainable tourism.

1. Disaster risk management strategy

- 3.3 The strategy will harmonize national practices to promote region-wide sustainable tourism and to foster transfer of knowledge, skills, and experience on key issues of disaster risk management, for example, regional climate change and disaster management. Specifically, the strategy will address the elements of: risk identification, mitigation, risk transfer, preparedness, emergency response, rehabilitation, and reconstruction. The strategy will support the provisions of the Comprehensive Disaster Management Framework as well as the Caribbean Regional Sustainable Tourism Policy initiative that is being prepared by the CTO. CDERA will partner with CTO to lead this component.

2. The role of natural resource base for sustainable tourism

- 3.4 Sustainable tourism in the Caribbean depends on the adequate use and conservation of its natural resource base (e.g. pollution in one zone may impact other zones). Proper management of the resource requires fair assessment of the value of the natural resources. This component is aimed at advancing regional initiatives in this direction through providing a plan of action, derived by consensus, for the development of a valuation methodology relevant for the region. The approach for moving this plan of action forward will be integrated in the strategy.

3. Vulnerability assessments and risk mapping

- 3.5 A CDERA-commissioned review has revealed the need to generate improved, standardized vulnerability assessments and risk map data in geographical information systems. Development of these standards will facilitate the regional approach to disaster prevention and response, economies of scale for the sector and will enable comparability of hazard risk and quantification of losses across the region. CROSQ, which has been established by law to facilitate standardization and quality of procedures that have trans-boundary significance, and that are significant to the region's competitiveness in the global environment, and UWI, through its new Centre of Excellence for Disaster Management will partner with CDERA in this component.

4. Strengthen CTO, CDERA and their stakeholders

- 3.6 The DRM strategy will be designed as a collaborative undertaking between CDERA and CTO and their respective stakeholders through the Regional Sustainable tourism policy. This partnership will enhance CDERAs understanding of the tourism sector, while CTO will acquire knowledge building in disaster risk management. Appropriate training materials and programs will be designed, and applied through the most effective vehicles in both agencies.

IV. COST AND FINANCING

- 4.1 The estimated total cost of the Regional Technical Cooperation is US\$1,000,000, with US\$800,000 coming from the Facility for the Promotion of Regional Public Goods (FRPG) of Ordinary Capital and US\$200,000 being local counterpart funding. The preliminary estimated budget is as follows (\$000)²:

Table 1: Cost and financing

Budget Items	IDB	CDERA	CTO	UWI	TOTAL
Component I: Disaster Risk Management Strategy	200	20	20	10	250
Component II: Natural Resource Base Pilot Study	50	30			80
Component III: Vulnerability Assessments	255	25		20	300
Component IV: Institutional Strengthening	160	20	20		200
Administration	100	35			135
Evaluation and Audit	20				20
Contingencies	15				15
Sub-Total	800	130	40	30	1,000
Support for Activities of the RPG Initiative (3%)*	24				24
Total	824	130	40	30	1,024

* Included in accordance with Resolution DE-122/05

V. EXECUTING AGENCY AND EXECUTION STRUCTURE

A. Executing Agency

- 5.1 The executing agency is the Caribbean Disaster Emergency Response Agency (CDERA) headquartered in Barbados. CDERA was established in September 1991 by an Agreement of the Conference of Heads of Government of the Caribbean Community (CARICOM) as the CARICOM agency and focal point for disaster management in the CARICOM countries. CDERA is well positioned to execute this process, as the agency has functioned

² More definite amounts for each component and the administrative budget will be determined during the preparation of the Plan of Operations.

as the manager of stakeholders in the regional disaster management process, and has a record of managing multi-year, multi-stakeholder projects and programs. Several regional projects have been implemented through CDERA, and the CDM Strategy has provided a framework through which significant investment for regional projects is being channeled. The IDB has worked with CDERA to facilitate a Seminar on Climate Change and Severe Weather Events in Asia and the Caribbean (ATN/JF-6258-RG-70), which was held in Barbados in 2003. CDERA is implementing the IDB-funded program of Adaptation for Climate Change and Disaster Mitigation (ATN/NP-8906-RG), which is in its initial stages of execution.

B. Execution arrangements

- 5.2 CDERA will execute institutional agreements with CTO, CROSQ and UWI for full implementation of the project components. Each agency will bring to bear its respective institutional mandate, expertise, and regional constituencies to the execution of the project.
- 5.3 The CTO is well positioned to be an effective partner for CDERA through its central function in the tourism sector in the region, and comprehensive membership roster, and its mandate for the development of the Sustainable Tourism Policy. As an intergovernmental development agency CTO provides a platform for discussion of issues critical to the overall health of the sector CDERA will play a coordinating role with CTO to infuse disaster risk reduction measures into the sustainable tourism policy at the regional level and by extension into decision-making by government leaders and technocrats at the national level.
- 5.4 CROSQ is the standards development arm of CARICOM and is therefore responsible for formulating Codes of practice for development of standards according to international guidelines. CDERA has solicited and obtained the support and commitment of CROSQ to work in collaboration with CDERA and other stakeholders to guide procedures for standardizing the vulnerability assessment and resource valuation protocols of Components 2 and 3 at the regional and national levels. CROSQ is currently engaged with CDB in the standardization of the Caribbean Building Code.
- 5.5 UWI as the Caribbean's Regional University supported by 10 regional governments has committed to participate in the Program. UWI has already developed significant teaching and research activities in the area of disaster management. Selected aspects of hazard mapping and vulnerability assessment are being undertaken in some faculties and departments. The recent decision by the UWI to establish a Centre of Excellence for Disaster Management will make possible vulnerability assessments across the region through standardized methodologies, and will provide capacity at the regional level in these technical areas for those countries that lack the resources.

VI. MAJOR ISSUES

- 6.1 Regional government decision-makers have discussed the sustainability of the tourism sector but the consolidation of efforts to mainstream disaster risk management into the

sustainable development of the sector remains a challenge. Policy-makers and entrepreneurs have only recently acknowledged the significance of managing disaster risk. Traditionally, regional disaster management initiatives have focused on disaster preparedness and response to hurricanes in particular, with little attention paid to the prevention phase of the disaster cycle, or to sector specific planning except in the case of health. In the design of the proposed program, care will be taken to include measures that will increase the awareness of the need of prevention.

- 6.2 Lack of coordination between the Caribbean countries themselves and donor-financed programs have complicated a comprehensive approach to disaster risk management. In developing this proposed program, the issue of this coordination will be addressed.
- 6.3 The Project will benefit Bank member countries, with a "*de minimis*" benefit for Bank-non-member countries, of the Caribbean region.

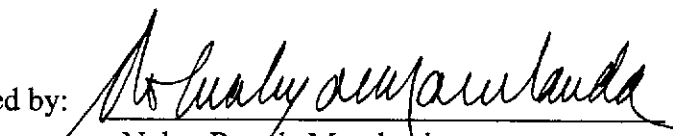
VII. ACTION PLAN

- 7.1 The approval of the TC Profile is expected for April 2006, and that of the Plan of Operations for July/August 2006. During the preparation of the Plan of Operations, the project team will conduct a mission to CDERA – this mission is planned for May 2006.
- 7.2 The planned execution period of this Regional TC is 36 months, with a disbursement period of 42 months.

VIII. ENVIRONMENTAL AND SOCIAL STRATEGY

- 8.1 Since the technical cooperation focuses mainly on technical assistance, consultancy services, workshops, and publications, no environmental or social impact is expected from the execution of the TC. However, the development of a strategy for tourism following the principles of environmental sustainability and the advancing of standardized methodologies for the fair valuation of the natural resource base should contribute in the medium term to better management of the environment. In addition, reduced vulnerability to natural disasters benefits not only the tourist sector but also the natural base that supports it.

Approved by:


Nohra Rey de Marulanda
INT Manager

May 4, 2006
Date