

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	JAMAICA/CCB - Caribbean Group
▪ TC Name:	Support for the Formulation and Implementation of the Program for the Strengthening of Disaster Risk Management and Climate Change Adaptation governance
▪ TC Number:	JA-T1155
▪ Team Leader/Members:	Yuri Chakalall (CSD/RND) Team Leader; Tsuneki Hori (CSD/RND) Alternate Team Leader; Sergio Lacambra Ayuso (CSD/RND); Lisa Sofia Restrepo (CSD/RND); Sherries Ruddock Simpson (CCB/CJA); Ivonne Maria Jaimes Castellanos (CSD/RND); Roberto Guerrero Compean (CSD/RND); Maricarmen Esquivel Gallegos (CSD/CCS); and Anaitee Mills (CSD/CCS)
▪ Taxonomy:	Operational Support
▪ Number and name of operation supported by the TC:	Improving Disaster Risk Management-JA-L1081 - Execution
▪ Date of TC Abstract:	21 Feb 2018
▪ Beneficiary:	Office of Disaster Preparedness & Emergency Management (ODPEM)
▪ Executing Agency:	Inter-American Development Bank (IDB)
▪ IDB funding requested:	\$ 750,000.00
▪ Local counterpart funding:	\$ 0.00
▪ Disbursement period:	24 months
▪ Types of consultants:	Individuals
▪ Prepared by Unit:	Environment, Rural Development & Disaster Risk Management (RND)
▪ Unit of Disbursement Responsibility:	Country Office Jamaica
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Institutional capacity and rule of law; Climate change

### II. Objective and Justification

- 2.1 The objective of this TC is to support the Program Based Loan (PBL) Series Program for the Strengthening of Disaster Risk Management (DRM) and Climate Change Adaptation (CCA) Governance (JA-L1081) by: (i) preparing the PBL Program Series; and (ii) implementing priority policy-related reform actions identified during PBL Program Series Formulation.
- 2.2 Due to its geographic location and geo-tectonic characteristics, Jamaica is exposed to a range of natural hazards. Hurricanes, tropical storms and floods have had the greatest impact, with severe landslides experienced during periods of extreme precipitation. According to the country probabilistic risk assessment carried out by the IDB in 2010, average annual losses of US\$30M and US\$105M are estimated for earthquake and hurricane hazards, respectively. Jamaica is also quite vulnerable to the effects of global climate change (CC). A 2011 study projected annual combined economic losses (by 2030) from wind, inland and coastal flooding under moderate and high CC emission scenarios to range between 6.0% and 7.2% of total gross domestic product (GDP).
- 2.3 Jamaica's large concentration of economic activity exposed to climate shocks, combined with its weak resilience capacity derived from low income levels and limited

fiscal flexibility, highlight the country's climate vulnerability, which in turn are embedded in key financial and economic outcomes. Evidence suggests that Jamaican income levels, fiscal balances and sovereign credit profile weaken following a climate-related disaster.

- 2.4 Jamaica has identified that the priority focus of its national DRM strategy is to enable a change in culture and to build community capacity to increase resilience and reduce risks. The Government has further recognized that in order to be effective in its effort, DRM and CCA must be: (i) integrated and mainstreamed into the physical planning and policy formulation processes; (ii) streamlined within the development policies and plans of key sectors; and as well by, (iii) strengthening the legislative framework and institutional capacities for disaster risk reduction. Thus far the Government of Jamaica (GoJ) has moved to both link and anchor national disaster risk reduction and the CCA Agenda within the Vision 2030 National Development Strategy Framework for Jamaica being spearheaded by the Planning Institute of Jamaica.
- 2.5 In 2012 the IDB was engaging with the GoJ in initial planning for the development and implementation of a DRM reform program. The proposed DRM reform program (2013) underwent initial planning but was overtaken by and deferred as a consequence of circumstances relating to the urgent priority need for Jamaica to enter into a four-year fiscal sustainability and economic growth program, under the Extended Fund Facility program of the International Monetary Fund (IMF) in 2013.
- 2.6 Since 2013 to the current period (Q1, 2018) GoJ has been successful in lowering its debt to GDP ratio from 140% to less than 110%. In the absence of a parallel and complimentary focus on building climate resilience, Jamaica's debt, remains exposed to re-escalation as a consequence of loss exposure and vulnerability to climate driven disaster shocks.
- 2.7 At the end of 2017, the GoJ signaled and re-affirmed its continuing interest, intent and commitment to advancing the prior interrupted DRM reform and requested IDB's support to develop: (i) a programmatic program (PBP) loan series the first operation of which is JA-L1081; (ii) a Technical Cooperation - Support for the Strengthening of Disaster Risk Management (JA-T1155) that contributes to the formulation and design of JA-L1081 and which supports the GoJ to comply with some strategic commitments of the reform process; and (iii) a Contingent Credit Facility for Natural Disasters; all three in 2018.

### III. Description of Activities and Outputs

- 3.1 **Component 1: Design and Evaluation of the Policy Based Loan Programmatic Series.** This component will support PBP preparation and will develop, as required the: (i) DRM/CC sector assessments (iGOPP and/or probabilistic risk); (ii) design policy matrix of proposed policy reforms/conditional disbursement triggers, as well as the monitoring, reporting and verification (MRV) systems; and (iii) evaluation of the PBP series.
- 3.2 **Component 2: Support to the Compliance of Strategic Policy Reform Commitments.** This component will allow the implementation of selected priority policy and policy-relevant national and sectoral actions to advance in fulfilling the commitments of the PBP series. The component will cover the following lines of intervention to coordinate and strengthen: (i) DRM and CCA governance including the formulation, implementation of reform and/or integration of policy, legal, regulatory framework and instruments for DRM and CCA; (ii) risk identification and assessment; (iii) preparedness and response; (iv) risk reduction and climate adaptation; and (v) financial protection and risk transfer.

#### IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Component 1: Design and Evaluation of the Policy Based Loan Programmatic Series	\$200,000.00	-	\$200,000.00
Component 2: Support to the Compliance of Strategic Policy Reform Commitments	\$550,000.00	-	\$550,000.00

#### V. Executing Agency and Execution Structure

- 5.1 This TC will be Bank executed by CSD/RND.
- 5.2 This is due to the timing of the implementation, the inputs required for formulating/designing the DRM PBL series and the CCF and the expected technical expertise that will be needed for the supervision. The implementation will however be coordinated by the Ministry of Finance and Public Service (MoFaPS) and the Office of Disaster Preparedness and Emergency Management (ODPEM). Reports and products will be reviewed by MoFaPS, ODPEM and the IDB.

#### VI. Project Risks and Issues

- 6.1 There is a risk of low or stretched technical capacity among the national and local level stakeholders as it relates to data collection for the technical studies. This risk is mitigated by the Bank execution, which will advise on specific terms of reference, contribute to technical monitoring and supervision, and review reports for timely execution. ODPEM has responsibilities for coordinating national emergency response. Contingency events that demand their staff time could delay the activities of the TC for which their decision-making is required. In the event of any contingency that must be addressed. In order to partially mitigate this risk, it is expected that international and/or local consultant experts will support the development of TC products For Component 1, there may be a risk of duplication by other bilateral and/or multilateral Development Partner institutions. Coordination and communication with the national authorities (ODPEM & Ministry of Finance) and regional organizations including Caribbean Disaster Emergency Management Agency (CDEMA) will be undertaken to avoid this risk. Another risk is a possible low level of interest, engagement and commitment by public actors as well as protracted protocol formality in approving consulting missions in country. These risks are best mitigated through frontal Bank engagement, communication and coordination with GoJ representatives

#### VII. Environmental and Social Classification

- 7.1 The ESG classification for this operation is "undefined".