

CARIBBEAN DEVELOPMENT BANK



DISASTER MANAGEMENT STRATEGY AND OPERATIONAL GUIDELINES 2021

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1. Responsibility Matrix for Strategy Implementation

FIGURE

1. Summary Matrix for CDB's Disaster Risk Management Strategy

LIST OF ACRONYMS

AF	Adaptation Fund
APA	Alternative Procurement Arrangements
BMC	Borrowing Member Country
CARICOM	Caribbean Community
CCCCC	Caribbean Community Climate Change Centre
CC	Climate Change
CCA	Climate Change Adaptation
CCRIF SPC	Caribbean Catastrophe Risk Insurance Facility Segregated Portfolio Company
CDB	Caribbean Development Bank
CDEMA	Caribbean Disaster Emergency Management Agency
CDEMA-CU	Caribbean Disaster Emergency Management Agency Coordinating Unit
CDM	Comprehensive Disaster Management
CERC	Contingent Emergency Response Component
CES	Country Engagement Strategy
CWP	Country Work Programme
DiMSOG	Disaster Management Strategy and Operational Guidelines
DRM	Disaster Risk Management
DRR	Disaster Risk Reduction
eCPA	Enhanced Country Poverty Assessment
ERG	Emergency Relief Grant
ERA	Emergency Relief Assistance
ERC	Enterprise Risk Committee
ESRP	Environmental and Social Review Procedures
ESU	Environmental Sustainability Unit
GCF	Green Climate Fund
IFI	International Financial Institution
IPCC	Intergovernmental Panel on Climate Change
IRL	Immediate Response Loan
MDB	Multilateral Development Bank
M&E	Monitoring and Evaluation
Mn	million
NDMO	National Disaster Management Organisation
NGO	Non-Governmental Organisation

OCR	Ordinary Capital Resources
OIE	Office of Independent Evaluation
ORM	Office of Risk Management
PBL	Policy Based Loans
PBO	Policy Based Operations
PS	Participating State
RMF	Results Monitoring Framework
RRL	Rehabilitation and Reconstruction Loan
SDF	Special Development Funds
SDG	Sustainable Development Goals
SFR	Special Funds Resources
TA	Technical Assistance
UNDRR	United Nations Office for Disaster Risk Reduction
UNFCCC	United Nations Framework Convention on Climate Change
UNISDR	United Nations International Strategy for Disaster Reduction

GLOSSARY OF TERMS

Adaptation (to climate change) refers to adjustment in natural or human systems in response to actual or expected climatic stimuli or their effects, which moderates harm or exploits beneficial opportunities. Source: Intergovernmental Panel on Climate Change.

Climate Change refers to a change in climate attributed directly or indirectly to human activity which alters the composition of the global atmosphere and additional to natural climate variability observed over comparable time periods. Source: United Nations Framework Convention on Climate Change (UNFCCC).

Climate Variability refers to variations in the mean state and other statistics (such as standard deviations, the occurrence of extremes, etc.) of the climate on all temporal and spatial scales beyond that of individual weather events. Source: UNFCCC.

Disaster A serious disruption of the functioning of a community or a society at any scale due to hazardous events interacting with conditions of exposure, vulnerability and capacity, leading to one or more of the following: human, material, economic and environmental losses and impacts. Annotations: The effect of the disaster can be immediate and localised but is often widespread and could last for a long time. The effect may test or exceed the capacity of a community or society to cope using its resources. It therefore may require assistance from external sources, which could include neighbouring jurisdictions, or those at the national or international levels. (UNDRR 2015).

Disaster Risk Management is the application of disaster risk reduction policies, processes and actions to prevent new risk, reduce existing disaster risk and manage residual risk contributing to the strengthening of resilience. (UNDRR 2015).

Disaster Risk Reduction refers to the policy objective aimed at preventing new and reducing existing disaster risk and managing residual risk, all of which contributes to strengthening resilience (UNDRR 2015).

Drought refers to the naturally occurring phenomenon that exists when precipitation has been significantly below normal recorded levels, causing serious hydrological imbalances that adversely affect land resource production systems. Source: United Nations Convention to Combat Desertification.

Earthquake refers to the sudden release of slowly accumulated energy along tectonic plates that make up the earth's crust. They represent a particularly severe threat due to the irregular intervals between events, the lack of adequate predictive models, and the associated hazards which include: ground shaking; vertical or horizontal fault movements; landslides, and liquefaction (amplification of ground shaking in areas of unconsolidated materials and high water tables).

Flood refers to a rise, usually brief, in the water level in a stream to a peak from which the water level recedes at a slower rate. Source: International Glossary of Hydrology.

Flooding refers to overflowing by water of the normal confines of a stream or other body of water, or accumulation of water by drainage over areas which are not normally submerged. Source: International Glossary of Hydrology.

Global Warming refers to the increase in the average temperature of the Earth's near-surface air and the oceans since the mid-twentieth century and its projected continuation.

Hazard refers to a potentially damaging physical event, phenomenon or human activity that may cause the loss of life or injury, property damage, social and economic disruption or environmental degradation. Source: UNDRR.

Heatwave is several days with heat levels above a given threshold.

Hurricane refers to a rotating, intense low-pressure system, which forms over tropical oceans with maximum surface wind speeds that exceed 74 miles per hour (mph) (119 kilometres/hour [km/h]).

Landslide is a general term covering a wide variety of landforms and processes involving the movement of earth, rock and debris down slope under the influence of gravity.

Millennium Development Goals refers to a set of eight development goals promulgated by the United Nations in 2002 to meet the needs of the world's poorest people by 2015.

Mitigation refers to the lessening or minimising of the adverse impacts of a hazardous event. Source: UNDRR.

Natural Hazard refers to all potentially damaging natural phenomena, which may cause the loss of life, injury, property damage, social and economic disruption and environmental degradation.

Preparedness refers to activities and measures taken in advance to ensure an effective response to the impact of hazards, including the issuance of timely and effective early warnings and the temporary evacuation of people and property from threatened locations. Source: UNDRR.

Prevention refers to activities to provide outright avoidance of the adverse impact of hazards and minimise related environmental, technological and biological disasters. Source: UNDRR.

Recovery refers to decisions and actions taken after a disaster to restore or improving the pre-disaster living conditions of the stricken community, while encouraging and facilitating necessary adjustments to reduce disaster risk. Source: UNDRR

Risk refers to the probability of harmful consequences or expected losses (deaths, injuries, property, livelihoods, economic activity disrupted or environment damaged) resulting from interactions between natural or human induced hazards and vulnerable conditions.

Special Fund Resources consists of contributions and loans on highly concessionary terms, which are used to make or guarantee loans of high development priority, with longer maturities, longer deferred commencement of repayment, and lower interest rates than those applicable to the Bank's ordinary operations. The Special Fund comprises the Special Development Fund and Other Special Funds.

Storm Surge refers to an above normal rise in water level on the open coast due to atmospheric pressure reduction as well as wind stress.

Sustainable Development Goals refers to a set of seventeen development goals adopted by the United Nations in 2015 to meet the needs of the world's poorest people by 2030. It serves as a blueprint to achieve a better and more sustainable future for all.

Sustainability refers to management of planetary resources for the benefit of present generations without compromising the reasonably foreseeable needs of future generations for such services.

Technological Hazard refers to danger originating from technological or industrial accidents, dangerous procedures, infrastructure failures or certain human activities, which may cause the loss of life, property damage, social and economic disruptions or environmental degradation. Examples include structure collapse, explosion, pollution and contamination or a combination thereof.

Tropical Depression refers to an organised low-pressure system forming in tropical latitudes with sustained wind speeds of between 23-37 mph (37-60 km/h).

Tropical Storm refers to an organised low-pressure system forming in tropical latitudes with sustained wind speeds of between 38-73 mph (38-73 km/h).

Tsunami refers to an ocean wave or series of waves caused by an abrupt disturbance of the ocean floor that displaces a large volume of water. They can be caused by earthquakes, volcanic activity, or undersea landslides.

Volcanic eruption refers to openings in the earth's crust through which molten rock and gases escape to the surface. Volcanic hazards stem from two classes of eruptions: explosive eruptions in which the rapid dissolution and expansion of gases from the molten rock takes place as it nears the surface, and effusive eruptions where lava flows are the major hazard.

Vulnerability refers to the condition determined by physical, social, economic and environmental factors or processes, which increase the susceptibility of a community to the impacts of hazards.

1. INTRODUCTION

1.01 This revised Disaster Management Strategy and Operational Guidelines (DiMSOG) 2021 outlines the framework and elements guiding the assistance of the Caribbean Development Bank (CDB) related to disaster risk management (DRM) in its Borrowing Member Countries (BMCs). The Strategy seeks to improve the Bank's institutional and policy framework and the effectiveness of its DRM support to BMCs in their drive to sustain their developmental gains.

1.02 The main purpose of DiMSOG 2021 is to provide clarity to the BMCs on the scope and nature of CDB's DRM interventions and strategic direction and operational guidance for CDB staff. The Strategy incorporates lessons learnt from recent revisions of DRM policy, strategies and practices of Multilateral Development Banks (MDBs) and development partners; the independent evaluation of DiMSOG 2009 conducted in 2018 by the Office of Independent Evaluation (OIE); the new developments in DRM policies and changing international and regional frameworks for DRM; and the combined professional experience of CDB, its BMCs and its development partners.

Lessons Learnt: Independent Evaluation Report Recommendations DiMSOG 2009-2018

1.03 The OIE completed an evaluation of CDB's operations under DiMSOG 2009 in November 2018. The report drew its findings and recommendations from consultations with a range of key stakeholder groups including: CDB, BMCs and regional institutions. It indicated with respect to the three ex-post financing instruments - the Emergency Relief Grant (ERG) the Immediate Response Loan (IRL) and the Rehabilitation and Reconstruction Loan (RRL), while of value to the countries, an increased value ceilings, an expansion of the eligibility for goods and services and a review of administrative procedures. The report provided several key recommendations accepted by the Bank's Management and which have been addressed in DiMSOG 2021. The recommendations indicated that the Bank should:

- (a) increase emphasis and coherence on pre-disaster, proactive interventions, and coherence at the regional and national levels;
- (b) seek additional concessional financing for BMCs' DRM work programmes;
- (c) maximise the benefits common to DRM and climate resilience in its work programme; and
- (d) improve tracking and reporting of DRM interventions with a robust result monitoring and reporting framework.

International and Regional DRM Framework

1.04 The institutional framework for DRM and climate change adaptation (CCA) in the Caribbean region has evolved significantly over the years. Since 2015, there have been three major global agreements, namely, the Sendai Framework for Disaster Risk Reduction (DRR) 2015-2030; the 2030 Agenda for Sustainable Development Goals (SDGs); and the Paris Agreement on Climate Change (CC) 2015. These have collectively shaped new thinking around the urgency to enhance strategic thinking on DRR and CC and the need to embed DRR and CC management into national development frameworks. These international agreements together have shifted the emphasis from an ex-post financing model to an ex-ante approach to risk reduction to save more lives and offer more excellent protection of the most vulnerable and their livelihoods.

1.05 The Sendai Framework has been integrated at the Caribbean regional level into the Regional Comprehensive Disaster Management (CDM) Strategy and Results Framework 2014-2024 (CDM Strategy

2014-24)¹. The CDM Strategy 2014-24 is coordinated by the regional coordinating agency for DRM, the Caribbean Disaster Emergency Management Agency (CDEMA), and is an integrated and proactive approach to DRM in the Region. It is cascaded to the country level in the work programme of CDEMA Participating States (PSs). BMCs have made some progress in translating these international and regional DRM strategies and policy priorities into actions at the national level. However, significant challenges remain. These include inadequate institutional capacity, legislative authority, financing, and technical resources to deliver on their basic mandates for disaster preparedness, planning response and recovery.

1.06 CDEMA's primary functions include supporting the National Disaster Management Organisations (NDMO) to strengthen national institutional capacity to mitigate, prepare and respond effectively to emergency events. The agreement establishing CDEMA requires that each PS establishes or maintains a NDMO capable of providing a swift, effective and coordinated response to disasters. NDMOs serve as the national focal point for executing CDEMA programming. In keeping with the CDM Strategy 2014-2024, CDEMA has placed priority on assisting with the development and implementation of country work programmes (CWP) through technical assistance (TA) to build technical and operational capacity for emergency preparedness, planning and response, and the integration of DRM in sustainable development policies and plans, especially in key economic sectors.

1.07 CDEMA has had a formal role in successive operational disaster management policies of the Bank, specifically for the provision of support for post-disaster emergency assistance (EA) to BMCs. Additionally, the Bank has continued to provide support to strengthen CDEMA's internal operational systems and TA for its operational post-disaster response for specific disaster events. However, the generally inadequate financing of CDEMA severely constrains its effectiveness as coordinator of the Region's CDM Strategy.

CDB's Role and Comparative Advantage in Regional DRM

1.08 Based on the internal assessment of the Bank's strengths, weaknesses, opportunities and threats (SWOT) along with preliminary findings from the Perceptions Survey (2018)², four key areas of competitive advantage emerge:

- (a) Trust – This is in light of the cultural/historic links and that CDB is the only development institution with a principal focus on the Caribbean.
- (b) Country and local knowledge – The majority of the employees are from the Region and in conjunction with technical expertise and the trust that BMCs have placed in the institution, the Bank is able to access information (formal and informal) that is relevant to advance BMC development.
- (c) Accessibility of staff and management to BMCs.
- (d) Responsiveness – This was noted particularly in the case of the natural hazards where the Bank was able to mobilise teams relatively quickly after the event.

¹The CDM Strategy encompasses institutional strengthening; knowledge management to support evidence-based decision making; mainstreaming of CDM in key sectors; and building disaster resilience, gender, CC, information and communication technologies, and environmental sustainability are cross-cutting themes in the implementation of the CDM Strategy.

²Corporate Strategy document: Competitive Space – Background discussion paper for the Strategic Plan 2020-24. Perceptions Survey and SWOT analysis were undertaken as part of the preparations for the revision of the Strategic Plan.

1.09 DiMSOG 2021 has been developed in the context of the following:

- (a) an increase in the number and severity of natural hazard events resulting in disasters in the BMCs;
- (b) emerging scientific evidence showing that CC and climate variability are already impacting the magnitude and frequency of many climate-related hazards;
- (c) understanding that disasters have a significant impact on the economic and social development of the BMCs;
- (d) the disproportionate and ongoing impacts of natural hazards on the poor and vulnerable due to their higher sensitivity and lower ability to cope with, and recover from, disaster events;
- (e) the realisation that the increasing number of disasters resulting from natural hazards will jeopardise the achievement of the SDGs and the Sendai Framework for DRR's Seven Global Targets by the BMCs; and
- (f) improved understanding of the linkages between environmental sustainability, DRM and CC, such that the continuing degradation of natural ecosystems results in increasing vulnerability to natural disasters and a decreasing capacity to adapt to CC.

1.10 At the global and regional levels, DiMSOG 2021 is aligned with: (a) the Sendai Framework; (b) the specific SDGs targets for DRR (SDG 11, 17 and 13); and (c) the CDM Strategy 2014-24 Strategic Objective: *the integration of disaster management considerations into the development planning and decision-making process of CDEMA PSs*. These policies propose a more structured and holistic approach to DRR which is achieved through balancing the long-term value of DRR measures such as building more robust governance, policy and sectoral frameworks and investing in resilient infrastructure and community-level preparedness. These are more effective when backed by effective financial risk management measures such as parametric insurance and other contingent finance instruments that support long term resilience. At the Bank level, the DiMSOG 2021 is aligned with the Strategic Plan 2020-2024. This includes increasing resilience and adaptive capacity of BMCs to disaster risk and CC impacts with the objectives of “*building social resilience, building economic resilience, and building environmental resilience*” and the institutional objective of “*building institutional resilience*” and with the Special Development Fund (SDF) 10 thematic area of *Building Environmental Resilience*.

2. RATIONALE

2.01 Natural hazards present one of the most serious threats to the sustainable development of the Caribbean. Due to location, geomorphology, and socio-economic characteristics, the Caribbean is vulnerable to many hydro-meteorological (hurricanes, tropical storms, storm surges, flooding, and drought) and geological (earthquakes, volcanoes, landslides, and tsunamis) hazards. From 2000-2019, CDB BMCs experienced 190 disaster events³ resulting from natural hazard impacts. An estimated 14.5 million (mn) persons were directly affected resulting in 238,000 deaths. Most of these deaths - 220,000, occurred during the catastrophic Haiti Earthquake in 2010. During the period, single events cost countries many times the value of their annual economic activity. Direct physical damage reported for the 2009-2019 period totalled USD26 billion.

³ SDF Discussion Paper: SDF 10 Replenishment Negotiations: Themes, Issues and Timeline December 2019.

2.02 There is also increasing concern with the differential impact of CC and disaster risks on the lives and livelihoods of women, men and their families, increasing the vulnerability of poor households. Their livelihoods, income, homes, well-being and ultimately, survival are directly threatened by climate and disaster risks as well as people's ability to cope with further stress. Impacts such as loss of assets can lead to increased vulnerability of the poor and a downward spiral of deepening poverty and increasing risk. DRM aims inter-alia to make livelihoods more resilient, to reduce existing disaster risk and the potential development of new risks.

2.03 CDB's involvement with DRM has expanded such that DRM is a cross-cutting theme in its current Strategic Plan and a strategic theme in the SDF 9 and 10 cycles. CDB approved financing operations valued at USD402 mn over the period 2009-2019 using several sources of financing, including the Exogenous Shock Policy Based Loan (PBL) valued at USD109 mn. Details of the financing provided by the DiMSOG instruments is attached in Appendix 1. The funds provided were used: (a) to support interventions directly related to the provision of EA; (b) response and recovery; (c) rehabilitation operations in the aftermath of disasters; and (d) discrete "stand-alone" TA interventions designed to strengthen technical and institutional capacities for broader strategic DRR objectives.

2.04 CDB's BMCs are classified as Small Island Developing States and are susceptible to natural hazards and have inherent characteristics that exacerbates their fragility and constrain their ability to respond to catastrophic events effectively. Scientific evidence indicates that climate variability and change is already impacting the Caribbean, worsening the intensity and frequency of many climate-related hazards. The mounting loss and damage from disasters caused by natural hazards require that CDB urgently scale-up its support for environmental management, DRR, CCA and mitigation, consistent with its economic development and poverty reduction mandate. Indeed, this aligns with the Bank's strategic direction as outlined in its Strategic Plan 2020-2024 and with its Climate Resilience Strategy 2019-2024. DiMSOG 2021 will provide the platform from which the Bank will deliver a more focused and holistic DRM programme that will assist BMCs to sustain their development.

3. STRATEGY

Strategy Goal and Impact

3.01 The overall goal of the Strategy is to contribute to sustainable development and poverty reduction in the BMCs by reducing the burdens caused by disasters due to natural hazards and CC through effective DRM.

3.02 The approach emphasises building long-term disaster resilience and reducing vulnerability to natural hazard related emergencies across BMCs. The approach, incorporated in DiMSOG 2021 (the Strategy), promotes the adoption of a more proactive and integrated approach in the development, implementation and financing of the DRR/CC work programmes of BMCs in order to achieve tangible DRR and CC resilient outcomes. To give impetus to this proactive approach to resilience building, the Bank will continue to work with CDEMA and the BMCs to elaborate the CWPs that reflect BMCs priorities and outcomes that are in keeping with their commitments under the CDM and National Determined Contributions. In this way, the Bank will add further synergies with the CWP being supported by other development partners, thereby increasing the impact of external support to resilience building in the BMCs. The Bank's Country Engagement Strategy is the process through which CDB will define the specific areas of support to BMCs (see Section 4 - Operational Guidelines).

3.03 With respect to regional institutions, the Bank's strategic emphasis will continue to be on providing support to enable these institutions to deliver their mandated services to the BMCs. This includes developing robust datasets to inform planning and policy development, downscaling climate models and

increasing penetration of horological and environmental monitoring networks to support the BMCs, for example at the sector level.

3.04 The Strategy contemplates a significant “scaling up” of financing, while using a risk layered approach to support BMCs work programmes. Increased concessional financing is needed to:

- (a) incentivise BMCs to adopt a more proactive approach to DRM. This proactive approach will support customised CWP responsive to country priorities for which grant resources and concessional funds will be required as incentives to spur BMCs’ implementation of these work programmes. These funds will be utilised partly for TA to support preparation of capital investments as well as for TA to strengthen governance and administrative arrangements that are necessary for effective BMC DRR/CC capacity building, planning, policy and strategy development and implementation, in order to sustain their long-term resilience goals.
- (b) facilitate enhancements to CDB’s disaster risk financing instruments for post disaster early recovery and reconstruction; and (c) promote regional approaches to DRR and CDM by closer work programme coordination with CDEMA. This will require balancing risk reduction and residual risk management, tailored to the specific needs of each country. The revision of the Strategy recommends changes in the existing financing instruments to provide greater flexibility, efficiency, and effectiveness. The use of the Bank’s Enhanced Country Poverty Assessment (eCPA) tool also affords an opportunity for improved responses to target the most vulnerable populations.

3.05 Of specific concern in the BMCs, is the disproportionate impact natural disasters have on the poor and socially vulnerable, who are less able to protect themselves and to adapt or recover from losses. There is a limited amount of quantitative data that documents how natural hazard events and CC impact households and living conditions and influence overall country poverty. The Bank intends to leverage the detailed poverty data generated by eCPAs to better determine the type, nature and scale of targeted support for national DRM and CCA interventions, and to quantify if, and by how much, natural hazards and CC are exacerbating poverty over time, and to embed critical gender considerations in the Bank’s DRR and CC interventions.

3.06 The expected impact of the DiMSOG 2021 is the increased capacity of BMCs to proactively manage disaster risks and recover from natural hazard events. Anticipated outcomes are:

- (a) DRM mainstreamed into national and priority sector policies and strategies;
- (b) an updated and expanded suite of financial instruments that incentivise BMCs to adopt proactive approaches to DRM, and that facilitates their recovery from natural hazard events;
- (c) increased partnerships to mobilise concessional resources for DRM in BMCs and at the regional level;
- (d) increased knowledge of vulnerable communities on DRM issues and enhanced capacity to deal with them; and
- (e) the production, dissemination and application of DRM and climate resilience knowledge products.

3.07 A summary matrix showing the components of the Strategy is presented in Figure 1. A Results Monitoring Framework (RMF) for assessing the Strategy is included in Appendix 2 and provides further details.

Guiding Principles

3.08 The guiding principles of the new Strategy include the following:

- (a) adoption of a holistic, multi-hazard approach to DRM, that also accounts for CC, and focuses on risk reduction, which is the main theme of the strategy;
- (b) ensuring that DRM/CCA is incorporated into all economic, social and environmental sectors in BMCs, such that it becomes an integral part of everyday life and is not viewed as an activity limited to a national office of disaster management during an emergency situation;
- (c) promoting increased public awareness as essential for changing attitudes and behaviours, making it an important part of risk reduction;
- (d) advancing the CDM Strategy 2014-24, which has been developed as an overarching DRM framework for the Caribbean, utilised by all BMCs and development partners;
- (e) improving organisational arrangements and using resources more efficiently within CDB for planning, implementing and communicating effectively on DRM; and
- (f) strengthening partnerships with other MDBs and development partners to maximise DRM synergies and advance regional cooperation and integration.

Scope

Areas Covered by the Strategy

3.09 The Strategy focuses on two lines of action: (a) the prevention and mitigation of disasters from geophysical and hydro-meteorological hazards, through proactive project work at regional, national and local levels; and (b) response and recovery from those types of disasters. The Strategy includes natural hazards as part of its scope. These include:

- (i) severe weather systems: tropical waves, tropical depressions, tropical storms, hurricanes, storm surges, periods of excessive rainfall;
- (ii) floods, including flash floods, coastal and riverine flooding;
- (iii) droughts, brush and forest fires;
- (iv) earthquakes and tsunamis;
- (v) land subsidence, mudslides and landslides; and
- (vi) volcanic events and related hazards.




Figure 1: Summary Matrix for CDB's Disaster Risk Management Strategy

IMPACT - Increased capacity of BMCs to manage disaster risks and recover from the impacts of CC and natural hazard events.

PURPOSE:

*To provide clarity to BMCs on the scope and nature of CDB's DRM interventions and provide strategic direction and operational guidelines for CDB staff.

*To improve the institutional capacity and policy framework of the Bank and the effectiveness of its DRM support to BMCs in their drive to sustain their development gains.

Pillar 1: Resilience Building in BMCs	Pillar 2: Institutional Capacity Building CDB	Pillar 3: Partnerships and Resource Mobilisation
 <ul style="list-style-type: none"> • Support BMCs' efforts to reduce risks related to disasters resulting from the impacts of natural hazards and CC. • Facilitate rapid and appropriate assistance to BMCs in response to disasters to assist in the revitalisation of their development efforts. • Enhance community resilience. 	 <ul style="list-style-type: none"> • Strengthen the Bank's effectiveness in supporting its BMCs to systematically reduce the risks related to disasters resulting from the impacts of natural hazards and CC. 	 <ul style="list-style-type: none"> • Collaborate with other development partners to increase the effectiveness of donor interventions in DRM and CCA.
<p><u>Outcome(s)</u></p> <ul style="list-style-type: none"> • BMCs mainstream DRM into national development plans, sectoral policies, strategies, and public sector investment programmes. For better planning and evidence-based decision making. • Vulnerable communities have increased knowledge of DRM issues, and capacity to deal with them. • DRM and climate resilience tools and knowledge management products are produced and applied. 	<p><u>Outcome(s)</u></p> <ul style="list-style-type: none"> • CDB updates and expands its suite of financial instruments that incentivise BMCs to adopt proactive approaches to DRM and facilitate BMCs' recovery from natural hazard events. 	<p><u>Outcome(s)</u></p> <ul style="list-style-type: none"> • Increased Partnerships to mobilise concessional resources for DRM in BMCs and at the regional level.

Guiding Principles

- (a) Adoption of a holistic, multi-hazard approach to DRM, that also accounts for CC, and focuses on risk reduction.
- (b) Ensuring that DRM/CCA is integrated into all economic, social and environmental sectors in BMCs, such that it becomes an integral part of everyday life and is not viewed as an activity limited to a national office of disaster management during an emergency situation.
- (c) Promoting increased public awareness as essential for changing attitudes and behaviours and therefore an important part of risk reduction.
- (d) Advancing the CDEMA Enhanced CDM Strategy 2014-24, which has been developed as an overarching DRM framework for the Caribbean and is utilised by all BMCs and development partners.
- (e) Improving organisational arrangements and using resources more efficiently within CDB for planning, implementing and communicating effectively on DRM.
- (f) Strengthening partnerships with other MDBs and development partners to maximise DRM synergies and advance regional cooperation and integration.

3.10 The interaction of the different hazards in a single event or over time within a specific geographic location can cumulatively result in a devastating event. For example, heavy rains often associated with a hurricane may generate floods and landslides along with significant wind damage. Thus, wherever possible a multi-hazard approach to risk assessment is often necessary. It is therefore important that the Strategy addresses both slow-onset and rapid-onset events, as well as low frequency/high impact events which may exceed the coping capacity of an affected country or community.

Areas Outside the New Strategy

3.11 The prevention and mitigation of disasters caused by social and political unrest, also referred to as conflict-driven disasters, are not covered by this Strategy since they present different challenges to those resulting from natural hazards.

3.12 The Bank's Business Continuity Plan covers risks to its personnel and physical plant.

Pillars of Support

3.13 The Strategy is built on three inter-related pillars of support. These are:

- (a) strengthen BMCs' efforts to reduce risks related to disasters resulting from natural hazard impacts and CC and facilitate rapid and appropriate assistance to BMCs in response to disasters in an effort to assist in economic revitalisation;
- (b) improve the Bank's effectiveness in supporting its BMCs to systematically reduce the risks related to disasters resulting from natural hazard impacts and CC; and
- (c) collaborate with other development partners to increase the effectiveness of donor interventions in DRM and CCA.

3.14 Under the first pillar, CDB will employ a more systematic and comprehensive disaster risk reduction approach in BMCs through:

- (a) proactive assistance to reduce their risk to natural disasters and CC ensuring work programme alignment with country context and priorities, working collaboratively with CDEMA, and anchored by the CDM Strategy 2014-24. Interventions will be deployed through grants, loans, and the blending of loan and grant financing. It is important to note that discrete ex-ante capital investments will be accommodated under the Bank's normal lending policy. Specific focus for TA interventions will be based on agreed country work programme priorities and could be discrete TA interventions or components of normal capital investment projects or sector loans. These may include:
 - (i) designing and implementing risk reduction, preparedness, prevention and mitigation measures. This requires reliable and accurate data, and information to create reliable hazard risk assessments to inform decision making. Current impediments include patchy datasets and environmental monitoring networks and chronic deficiencies in the financial and technical resources of regional and national institutions with mandates for providing this technical support. Therefore, increased attention will be given to (aa) establishing more robust environmental monitoring, data collection and early warning systems; (bb) increasing BMCs' technical and institutional capacity to identify and improve monitoring of hazard and climate risks impacts; and (cc) significantly enhancing the effectiveness of regional and national level preparedness and response mechanisms such as

logistical and warehousing systems. This will be done via training of relevant staff, and the development of response protocols, mechanisms and accountability frameworks;

- (ii) emphasising on a comprehensive and integrated approach to align and address DRM strategic priorities in-country work programmes. This emphasis will facilitate more effective mainstreaming of hazard risk assessments and reduction measures, including CCA considerations in investment financing, and the provision of supporting institutional strengthening and capacity building measures necessary to realise successful Bank interventions and resilience outcomes. Of particular concern during this medium-term period will be strengthening critical national infrastructure (e.g., water and power utilities, ports, transport departments, national road authorities, civil aviation authorities), to more fully incorporate DRR and CC resilience priorities in long-term infrastructure plans. Also, the detailed technical work on the identification and vulnerability assessment of CCA in the water and transport sectors and physical education facilities carried out over the last four years by the Bank will provide a strong foundation for designing resilient mitigation interventions in those sectors;
- (iii) reducing poverty and strengthening resilience which are complementary and interconnected. At a strategic level, disaster and climate risk screening will allow country teams to identify and assess the potential impacts of disaster risk on the poor and most vulnerable and support the integration of disaster resilience actions into CDB's Country Engagement Strategies (CES) and to design community interventions to build community resilience. The eCPA methodology will be used to target DRM interventions, in line with intended actions under the Social Protection for Building Resilience and Transforming Lives Framework Paper currently under development and to strengthen social protection's role in DRM and CCA;
- (iv) designing DRR and CC interventions that are consistent with the commitments of the Bank's Gender Equality Policy and Operational Strategy and that help BMCs integrate gender equality in national and sub-national policies, strategies and action plans on DRM and CC. Recognising the gender differentiated risks and impacts of DRR and CC, in community level resilience building closer attention will be given to address issues of participation, enhanced preparedness, knowledge and skills and the diversification of livelihoods; and
- (v) promoting the adoption of more robust disaster risk financing strategies by establishing fiscal buffers such as national disaster funds, increasing parametric insurance coverage levels with the Caribbean Catastrophe Risk Insurance Facility Segregated Portfolio Company (CCRIF SPC), as well as utilising contingent financing instruments. There is also room to catalyse new pooled innovative risk financing mechanisms and/or leverage more direct participation of the private sector. Recognising that significant resources are required to develop innovative disaster risk financing instruments, for example, catastrophe bonds and contingent credit lines, CDB views partnerships with other multilateral financial institutions and bilaterals operating in these areas as critical, given the limitations of the Bank's resources. CDB's assistance to BMCs to establish robust administrative, governance systems and processes are important anchors for these instruments.

- (b) rapid and effective post-disaster response that will assist BMCs in their economic, social and environmental recovery, whilst also reducing vulnerability. The opportunities presented by disaster events will be used to strengthen resilience by adhering to the concept of “building back better” as central to those operations, providing policy advice to promote more proactive strategies and plans to achieve recovery outcomes and strengthening long term sustainable development. Enhancements to the ex-post financing instruments place greater emphasis on risk reduction and the revision of the associated operational guidelines provide greater clarity and flexibility to staff and BMCs on their use.

3.15 The second pillar focuses on strengthening the Bank’s effectiveness in ensuring that disaster response is treated systematically, recognising its intersectionality with CCA, while facilitating its integration into CDB’s corporate and operational policies and processes. These policies include the Bank’s Strategic Plan; work programmes; CES and related policy work: strengthening eCPA methodology and use; promoting DRR and CC resilience elements in PBLs. Investment financing will place greater emphasis on strategic DRR/CC investments as discrete projects or components of projects; mandatory use of DRR and CC screening tools and providing detailed technical guidance for project appraisal and supervision, monitoring and reporting, and training in DRM/CC for Operations Area staff.

3.16 The third pillar emphasises partnerships as a critical element of strategy implementation, recognising the broad spectrum of development partners working across BMCs in the DRR/CC thematic areas. CDB recognises that enhancing DRM and climate resilience within its BMCs requires intense development support buttressed by large financial and technical resources, strategic partnerships, strong coordination and synergies among development partners. Several MDBs, bilateral institutions, and regional organisations support interventions across sectors and thematic areas related to DRM and climate resilience in the Caribbean.

3.17 CDB has developed successful partnerships to advance DRM and climate resilience in the Region. These partnerships include, among others, the Climate Action Line of Credit initiative with European Investment Bank, the Community Disaster Risk Reduction Fund, multi-donor trust fund with Global Affairs Canada, United Kingdom Department for International Development (now the Foreign and Commonwealth Development Office), the European Union (EU); the African Caribbean Pacific-EU-CDB Natural Disaster Risk Management programme funded by the EU, and the initiative for sustainable infrastructure projects with Agence Française de Développement. Using its comparative advantage and strategic position within the Region, the Bank continues to be a conduit for funding from the Inter-American Development Bank to the Organisation of Eastern Caribbean States countries.

3.18 Partnerships with regional development institutions are an important element of the Bank’s programme given the mandate of these agencies to provide technical support to BMCs. CDB will continue to collaborate and provide technical assistance to improve the work of key regional institutions including CDEMA, the Caribbean Institute for Meteorology and Hydrology, the Caribbean Tourism Organisation, the University of the West Indies, CCRIF SPC, and the Caribbean Community Climate Change Centre (CCCCC).

3.19 The Bank is accredited to the Green Climate Fund (GCF) and the Adaptation Fund (AF). The Bank has been working with these institutions to increase access to concessional resources directly and to indirectly give access to the BMCs in support of their climate resilience work programmes. This work to access financing from these global climate finance streams will continue under DiMSOG 2021.

3.20 Special focus will be given to cooperation and co-financing with bilateral and multilateral partners for initiatives at both the regional and national levels to scale up support for strategic initiatives. These initiatives include those which seek to: (a) expand the current use of innovative disaster risk financing mechanisms; (b) strengthen regional and national early warning systems; (c) strengthen hazard and climate

information; and (d) promote the applications of sustainable technologies to build DRR and CC resilience. CDB will also take a more proactive and visible role in knowledge building and dissemination.

3.21 The Bank will strengthen its engagement with existing DRM mechanisms including CDEMA's CDM Coordination and Harmonisation Council and the Caribbean Donor Partner Group for Disaster Management. It will seek to re-energise key sector sub-committees under the CDM framework including the Finance Sector Sub Committee (which CDB chairs), and the Physical and Environmental Planning Sector Sub Committee. This engagement will help to bolster coordination and encourage synergy across work programmes in this thematic area. CDB will continue to provide advocacy in the regional and international dialogue to address the issues of CC and DRR through collaboration and assistance to regional institutions.

Portfolio Risk Management DiMSOG

3.22 The exposure of the Bank to BMCs with unsustainable debt levels and vulnerability to natural hazard risks, represents a relatively high credit and balance sheet risks compared to other MDBs. CDB's credit rating has been underpinned by its strong financial management, sound risk management practices and support of its shareholders amongst other factors. The external rating agencies have however been increasingly considering environment, disaster and risk vulnerability factors in their assessment of BMCs and CDB. Multilaterals have been required to provide evidence on mitigation and demonstrate how those factors are taken into consideration in the support of member countries. The Bank has responded by extending the scope of its enterprise risk management framework to include environment, disaster and vulnerability factors and included the Head of its Environmental Sustainability Unit (ESU) on its Enterprise Risk Committee (ERC) to specifically address this risk. Environment, disaster and risk vulnerability is a standing agenda item at ERC meetings with risks and extent of mitigation consistently monitored and routinely reported to the Board of Directors (the Board) and credit rating agencies.

Resource Requirements for Strategy Implementation

3.23 The design of the revised DiMSOG considers limited resource availability. In deploying resources across the three pillars, the Bank is aware that its resources will be a small fraction of the DRM financing needs of BMCs. Considerable emphasis will be placed on integrating disaster risk concerns into CDB investments as discrete or "stand-alone" ex-ante actions for both loans and grants or incorporated as components within interventions that have wider objectives. These interventions will be financed through the Ordinary Capital Resources (OCR) and Special Funds Resources (SFR) windows, blending these as necessary to provide maximum concessionality. BMCs have expressed a preference to utilise concessional resources for DRM initiatives. DiMSOG will provide access to concessional funding under the SDF allocations for all the BMCs given their high vulnerability to natural hazards and CC impacts. This will facilitate implementing proactive DRM initiatives to reduce risks and potential loss and damage from frequent and intense extreme weather events. Appendix 3 details the instruments and funds available under each as well as the eligibility criteria for access by countries. Group 1 countries access to the SDF will include proactive DRR initiatives as a critical preventative component to enhance resilience, up to a maximum of USD750,000 per intervention. The amounts will not normally be larger than their own contribution to the SDF except for emergency disaster assistance. Group 1 countries will also be eligible for emergency assistance, IRLs and RRLs.

3.24 Mobilising and improving access to available concessional resources, exploring options from new funders and donors remains a priority of the Bank, but the Bank will also be exploring ways to use its existing financing instruments more effectively. The Bank will engage/participate with other development partners including other MDBs to co-finance and/or use funds available to CDB, whether loans or grants

for specific thematic purposes and proactively explore opportunities to leverage concessionary resources from development partners as well as global finance streams such as the GCF and the AF.

3.25 Responsibility for implementation of the Strategy rests primarily with the Operations Area with the lead role for coordination residing with the ESU of the Projects Department. ESU will ensure overall policy coherence, oversight, and reporting. In addition, it will also: (a) provide technical guidance and support, including in post-disaster reconstruction; (b) lead the development of screening tools and guidance materials; (c) lead the development of partnerships with other institutions; (d) support the mobilisation of resources for DRM; and (e) coordinate the development of knowledge products and services. Other operational departments will have direct responsibility through the integration of the objectives of the Strategy into CESs, and into the appraisal, implementation, and monitoring of investment loans, grants, and other technical assistance operations. Further details are contained in the Responsibility Matrix at Table 1.

3.26 The implementation of the Strategy will require additional personnel to significantly enhance the proposed increase in operations in this thematic area. CDB will continue to explore opportunities to seek externally funded staff positions. Budgetary resources will, however, be needed for training as Bank staff will require stronger capability to continue to mainstreaming DRM in other sector and thematic areas such as urban development, agriculture and rural development, and physical infrastructure. The internal Environmental Sustainability online training portal will be expanded and strengthened to include additional environment, disaster and climate risk project screening tools, and expand work on developing additional knowledge products and services for use by both staff and technical specialists in BMCs. Key units that will be involved in the implementation include the Social Sector Division (SSD); Economic Infrastructure Division (EID), Private Sector Division (PSD) and the Basic Needs Trust Fund (BNTF).

Table 1: Responsibility Matrix for Strategy Implementation

Activities	Instruments	Operational Areas	Key Areas/Units
DRR/CC Internal Mainstreaming Environmental Sustainability Portal Training Results Monitoring Disaster Risk Financing	Not Applicable	All Areas	ESU Corporate Strategy Office of Risk Management
Project design and institutional strengthening operations	All Instruments	All Pillars	ESU/EID/SSD/PSD/BNTF Governance Unit
Policy Based Operations (PBO) and Project Support	Analytical, Advisory, and Advocacy	All Pillars	Economics Department/ ESU/EID
External Partnerships	Coordination	All Pillars	ESU/Corporate Strategy

Monitoring and Evaluating Results

3.27 The effectiveness of strategy implementation depends on the Bank's ability to monitor, measure and evaluate its work and to make adjustments as required. The DiMSOG is aligned with the Bank's existing monitoring framework. Appendix 2 provides the RMF for the Strategy. The Monitoring and

Evaluation (M&E) Framework plays a critical role in the design, implementation and delivery of the expected outputs and outcomes of the Strategy. It also provides information for lesson learning and sharing and will provide guidance for future revisions. The DiMSOG 2021 will be evaluated after five years in 2025 to determine its effectiveness and to recommend relevant revisions as required. The Operational Guidelines will be amended as necessary based on the Bank's revision of its appraisal and procurement policies.

Conclusion

3.28 The increasing threats to BMCs' livelihoods and poverty reduction and the threat of rapid reversal of hard won development gains over the last fifty years, have reinforced the commitment of the Bank to be proactive and to significantly scale up its work programme to address DRM and to take a more systematic and comprehensive approach in the medium term. The proposals in this strategy have identified priority areas of intervention for managing DRR, recognising the interlinkages with CC and environmental management in building resilience in its BMCs. These areas of interventions were selected based on discussions with BMCs, development partners, regional and national stakeholders the Bank's experience and core areas in which the Bank is active. The Operational Guidelines presented in Chapter 4 provide details on mobilisation of and access to the Bank's DRM resources.

4. OPERATIONAL GUIDELINES FOR SUPPORT TO BORROWING MEMBER COUNTRIES

4.01 The Operational Guidelines clarifies the scope and nature of CDB's DRM and CCA interventions, and financing instruments, and to provide operational guidance. The Guidelines reflect the shift in focus to a more proactive approach by the Bank to reduce disaster risk, to provide assistance to strengthen both regional and national DRM capacity and to offer more effective post-disaster response to BMCs.

Country Work Programmes and Country Engagement Strategies

4.02 The CES is the primary document reflecting the Bank's work programme with a BMC, and therefore its preparation and implementation provides opportunities to commence the dialogue with each BMC on policies and strategies for DRM/CC issues, and to determine how these issues can be integrated into the approved CEs going forward. All BMCs are PS of CDEMA and have adopted the CDM Strategy 2014-24 as their national DRM platforms. BMCs have comprehensive national DRM frameworks with NDMOs and have taken steps to establish CDM administrative and governance mechanisms incorporating country work programmes (CWP). The development of CWPs aligns with target "E" of the Sendai Framework, which is to 'substantially increase the number of countries with *national and local disaster risk reduction strategies* by 2020'. The national and local DRR strategies being measured for CDEMA PS under target "E" are their CWPs.

4.03 Assessment of DRM/CC in a CES will depend on the particular country context and will take into account the BMC's natural hazard profile: the scale, nature and distribution of disaster risk, the adequacy of the national DRM policy, the capacity of relevant institutions and political commitment. In most cases, it will be sufficient to base the assessment on the review and collation of existing data. However, where there is insufficient data, a "stand alone" DRM assessment at the national or sectoral levels may be needed and could be undertaken with TA support from CDB and/or CDEMA. ESU will provide advice and guidance, and through its online Environmental Sustainability Portal, is building up a set of country reviews based on secondary material as a starting point for CES teams.

4.04 Under DiMSOG 2021, CDB has made a commitment to work closely and collaboratively with CDEMA to finance the implementation of CWPs, in BMCs which are committed to a well-defined action plan and results framework. These government approved action plans will be financed through grants and

loan financing. Financing will be blended as appropriate to enhance concessionality and consider the relevance to CDB's thematic areas of engagement, risk exposure, resource availability and the work of other development partners in the country.

Proactive Assistance for Disaster Risk Reduction and Climate Change Adaptation

4.05 TA work programme areas to be considered for financing by CDB may be designed and financed as discrete TA projects or as components of capital investment projects with specific DRM or CCA objectives to inform preparation of these investments. These may include:

- (a) analytical assessments for national or sectoral DRM;
- (b) systematic identification of natural hazards and vulnerable populations and the dissemination of credible DRR/CC knowledge products to inform community resilience;
- (c) sector wide policies including capital maintenance requirements for critical physical infrastructure, preparedness and response actions at all levels and the support of contingency planning for sensitive sectors such as: agriculture, critical infrastructure, water, tourism, education and health;
- (d) development and implementation of interventions to help vulnerable groups better prepare and plan for all phases of disaster management;
- (e) development of strategies, action plans and programmes to integrate the gender dimension in DRR/CCA work programmes;
- (f) establishment and expansion of national and regional environmental and hydro-meteorological networks linked to functional associated national and community level early warning systems;
- (g) design, preparation and implementation of policies and strategies to address gaps and deficiencies in current management and administrative systems for CDM, environmental management and CCA, with specific attention given to the development and or changes to policies, and institutional barriers in order to address land use and development control policies, building codes and permitting systems and environmental pollution controls which enhance the performance of ecosystem based services such as forestry and coral reef systems;
- (h) establishment and strengthening of BMCs administrative and governance arrangements, and country specific mechanisms to facilitate donor and inter-agency work plans for DRM and CCA with emphasis on preparedness for emergency response, recovery and rehabilitation, supported by transparent procurement and accountability systems;
- (i) participation and effective engagement of the population and especially private sector entities to support and finance DRM and CCA initiatives;
- (j) improved preparedness and response systems at the regional level to make effective use of available financial and technical resources; and
- (k) country specific procurement and financial policies and procedures, which make provision for appropriate financial and procurement processes to prepare for, and respond to, emergency conditions.

4.06 BMCs wishing to obtain financial support from CDB for proactive TA for DRM and CCA should submit a letter of request and a short proposal outlining the nature of the assistance being requested to the Director of Projects at CDB (see Appendix 4 for a Proposal Template). Countries should have a country work programme approved by CDEMA, as well as a CDB approved country engagement strategy that includes DRM initiatives. The proposal should include objectives, description and activities, geographical scope, time frame, beneficiaries, budget, expected outputs and outcomes, and evaluation indicators. The Director of Projects will review the proposal to determine whether it merits consideration within the Bank's DRM programme. The project will be processed in accordance with the Bank's standard operating procedures for TA operations.

4.07 The procurement of goods, works and services for proactive DRR/CCA projects, unless otherwise determined by the Board, will follow CDB's Procurement Policy for Projects Financed by CDB and Procurement Procedures for Projects Financed by CDB (November 2019, as updated from time to time).

Proactive Disaster Risk Management Capital Investment Operations

4.08 The foundation for resilience is best placed on identification of risks and vulnerabilities before a disaster. For capital investment operations which directly address DRM/CC priorities, the Bank will encourage the use of methodologies, tools, and technologies, designed to build both physical and social resilience while integrating climate vulnerability considerations. Every effort should be made to identify synergies with similar initiatives, projects and programmes under design or implementation which could help to amplify resilient outcomes. The Bank's normal Lending Policy will apply for these interventions with respect to financing terms, and conditionalities, including adherence to procurement and the Environmental and Social Review Procedures (ESRP) requirements.

Policy Based Operations and Disaster Risk Reduction Assistance

4.09 PBOs are structured to address medium-term structural, sectoral and institutional issues essential for sustainable development and poverty reduction. The support is provided in the form of loans, grants or guarantees to governments to assist with the implementation of policy reforms and institutional changes. In a post disaster situation, countries need quick access to financing to assist with their response and recovery programmes. However, in the face of severe natural disasters, BMCs already constrained by fiscal issues have struggled to find the levels of liquidity required to minimise disruption of their economies. The Exogenous Shock PBL, although not formally incorporated into DiMSOG 2021, is considered to be part of the disaster response framework of the Bank. The Exogenous Shock PBL falls within CDB's Framework for PBOs, as will any PBL product developed to target resilience reforms by BMCs.

4.10 While a disaster might amplify the need for reforms to reduce the risks associated with natural hazards, the Bank recognises that the immediate post disaster environment is very often unsuitable for negotiating reforms associated with a traditional PBL, especially if the Bank had not been engaged or engaging with a BMC on resilience reform measures prior to the disaster. The emphasis on a more proactive approach of DiMSOG 2021 provides the basis and resources to support BMCs to design and commit to DRM work programmes which can support and guide PBOs and to anchor policy reforms while retaining development and poverty reduction programming.

Emergency Assistance

4.11 CDB has long supported emergency operations in the form of grants to BMCs in the aftermath of natural disasters, to demonstrate its support for and solidarity with the affected BMC. Experience has shown that the Bank does not have a comparative advantage in the delivery of EA. More robust, collaborative and cooperative arrangements and mechanisms are now in place at the regional level

coordinated by CDEMA. These improved coordination and functional mechanisms allow for greater efficiency and effectiveness in the deployment of EA, given the plurality of partners, in areas such as: preliminary damage assessments, identifying and deploying specialist technical assistance and in the delivery of emergency supplies to the most vulnerable groups.

Coordination of Regional Emergency Assistance

4.12 CDB will continue to provide EA to BMCs but will do so within the framework of the Regional Response Mechanism (RRM) coordinated by CDEMA. The mechanism is activated once a member state is under threat of hazard impact and assistance is provided based on requests from a member state for any emergency categorised as Level 2⁴ or above. This approach aims to further strengthen for the benefit of BMCs, the effectiveness of planning and regional inter-agency coordination of comprehensive response actions. The objective is to: (a) encourage more effective utilisation of grant resources and technical support offered by development partners and to improve alignment with the regional response actions to assist affected countries; and (b) incentivise the building of country-level capacity to manage at least basic emergency planning, preparedness and response elements of their work programmes.

4.13 CDB's contribution to EA resources with the targeted response to Level 2 emergency events in BMCs will be channeled through CDEMA, and will be used to enable CDEMA to:

- (a) procure works and services, and stock and maintain its four sub-regional warehouses with an expanded list of eligible items related to the emergency response efforts in BMCs and will include cost of shipping supplies to affected BMCs post disaster;
- (b) train, prepare and deploy Rapid Needs Assessment Teams to undertake CDEMA coordinated initial and rapid damage assessments of impacted BMCs;
- (c) train, prepare and deploy emergency response teams such as the CARICOM Damage Assessment Coordination team and the CARICOM Operational Support Team under the purview of the RRM as surge capacity to augment national emergency operations centre activities where capacity deficiencies are deemed critical; and
- (d) provide technical support in the form of national and regional level training activities to strengthen preparedness and response programmes.

4.14 Assistance for these purposes will be provided as a grant to CDEMA, up to a maximum of USD750,000 in any given year. CDEMA will work collaboratively with CDB to develop an annual work programme and budget, for the utilisation of the funds, which would be in alignment with its Council's approved annual Work Programme and Budget. The work programme will also consider other externally financed support programmes to these areas by other development partners. CDB will prepare a TA grant to CDEMA, for approval in accordance with the Bank's standard operating procedures. Further annual grants will be processed once CDEMA provides documentation and reporting for the use of the resources in accordance with the terms and conditions of the Grant Agreement.

4.15 The terms and conditions of the Grant Agreement will require that the support by CDEMA to an affected BMC must evidence utilisation of the regional mechanisms and mutual aid agreements in place for

⁴ A Level 2 event is one in which the national capacity to respond is not overwhelmed but some external assistance is required. The affected State may or may not declare a disaster. In this scenario, the CDEMA Coordinating Unit may provide TA, specialised equipment, support personnel and information sharing.

emergency relief supplies and services, as established under the RRM⁵ including the Integrated Relief Logistics Mechanism and the Integrated Regional Logistics Hub based in Barbados.

4.16 Procurement shall be conducted by CDEMA in accordance with the Procurement Policy for CDB Financed Projects and Procurement Procedures for CDB Financed Projects (November 2019, as updated from time to time). The aforementioned Procurement Policy and Procedures allow exceptions to their provisions to be specified in DiMSOG, which for EAs include: (a) procurement eligibility shall be extended beyond CDB member countries to all countries; and (b) subject to CDB's approval, the use of appropriate selection methods and approaches to expedite procurement, other than those which would apply in a normal operating environment, while still employing competitive approaches as far as is possible, to ensure CDEMA is able to prepare and respond to disasters in the most effective and time sensitive manner possible.

4.17 Subject to an acceptable procurement assessment and satisfactory reforms in response to any identified shortcomings, CDB may permit CDEMA to conduct all or certain types of procurement in accordance with its own procurement policies and procedures or equivalent using the Alternative Procurement Arrangements (APA), detailed in paragraph 3.05 of the aforementioned CDB procurement procedures. CDEMA's procurement policies and procedures would need to be acceptable to CDB and conform with CDB's core procurement principles and integrity requirements.

4.18 A Procurement Plan, and if requested by CDB a Procurement Strategy, will be required for goods and services to be procured under annual CDB EA financing made available for CDEMA, but this requirement may be waived or deferred by CDB for other CDM Plan financing, if there is an urgent need to prepare for and respond to a disaster. Such Procurement Plans and Strategies may permit greater post-review by CDB than would be employed outside of the context of a natural disaster so as to expedite project implementation.

4.19 CDEMA will be expected to utilise framework agreements, in conformity with the relevant provisions of the aforementioned procurement procedures and, where relevant, international or regional pooled procurement mechanisms, acceptable to CDB, to procure eligible items for its strategic stockpiles or other standardised eligible goods and services that are required on a regular basis.

4.20 Under exceptional circumstances and where the Bank's Management has determined that capacities of the regional response systems and mechanisms are overwhelmed or for a specific response intervention, where specialised technical skills falling outside the scope of CDEMA are required, in these cases, CDB will provide grant support directly to the affected BMC and the procurement arrangements detailed under paragraphs 4.28–4.31 would apply.

Immediate Response Loan

4.21 The IRL is designed to support immediate short-term response and early recovery activities to shore up critical assets, capacity or productivity rather than the provision of humanitarian or emergency relief supplies or a comprehensive response to reconstruction. An IRL not exceeding USD5 mn, utilising a blend of SFR and OCR funding will be provided to the government to meet its expenses for clearing and cleaning of affected areas and for emergency restoration of infrastructure and essential public services.

4.22 Activities which may be supported may include: (a) the repair, replacement or the installation of measures to protect and restore vital economic infrastructure (power, water, roads and other communication infrastructure) necessary for the resumption of social and economic activities; (b) consultancy services to

⁵ The RRM is a network of CDEMA PSs, national, regional and international disaster stakeholders through which external response and relief operations in support of an impacted CDEMA PS are coordinated. The RRM is guided by the principles of the Regional Disaster Response Support Doctrine which are in compliance with international Humanitarian Principles.

support execution of detailed damage and loss assessments; (c) early stage recovery activities including supporting consultancy services for the delivery of specialist technical expertise and/or augmenting assistance being provided by other partner development institutions; (d) boosting productivity or regenerating livelihoods of the most poor and vulnerable e.g. fishermen, subsistence farmers by providing transitional safety net support; (e) to initiate, or supplement urgent psycho-social support provided by partner development institutions, and (f) consultancy services to prepare designs for high priority critical projects for the longer-term rehabilitation phase. See Appendix 6.

4.23 IRLs are by their very nature executed in a short timeframe and provide immediate assistance to the affected country. Therefore, they must be clearly justified using at least preliminary damage assessment reports compiled or certified by the NDMO of the country, or a third party. The loan will only be available for Level 2 or greater impacts. Further, the proposed loan size should be commensurate with the damage assessment estimates and the implementation timeframe. An IRL should have an implementation time frame of 18-24 months and will only be extended under exceptional circumstances where the destruction and dislocation are considered extreme or to permit completion of commissioned designs.

4.24 BMCs wishing to obtain financial support from CDB should submit a request in writing to the President of CDB as soon as possible after the event and no later than two months after the disaster if it is a rapid-onset event such as a hurricane. For slow-onset events such as drought, the request should be made as soon as the affected BMC makes its determination that significant economic, social, and environmental damage has occurred. The request should be accompanied by an initial assessment of the damage as provided by the national NDMO or CDEMA, and a proposal for the intended use of the loan, and a budget.

4.25 CDB staff will prepare a brief paper recommending approval of the IRL by the President.

4.26 CDB will make disbursements based on a certificate from an independent consultant, engaged by the government, after consultation with CDB, showing that the goods and/or services were utilised for the approved operations. The fees of the independent consultant will be eligible for payment out of the IRL.

4.27 Only expenditures invoiced within 12 months of the date of the disaster (for a rapid-onset event), or within 6 months of the date of the request to CDB (in the case of a slow-onset event) will be eligible for payment out of the IRL. Funds not claimed within 24 months of the date of the request to CDB, will be cancelled, except as indicated above at paragraph 4.23.

4.28 BMCs shall conduct procurement in accordance with the Procurement Policy for CDB Financed Projects and Procurement Procedures for CDB Financed Projects (November 2019, as updated from time to time). The aforementioned Procurement Policy and Procedures allow exceptions to their provisions to be specified in DiMSOG, which for IRLs include: (a) procurement eligibility shall be extended beyond CDB member countries to all countries; and (b) subject to CDB's approval, the use of appropriate selection methods and approaches to expedite procurement, other than those which would apply in a normal operating environment, while still employing competitive approaches as far as is possible, to ensure BMCs are able to respond to disasters in the most effective and time sensitive manner possible.

4.29 CDB may permit the use of a BMC's public procurement laws, regulations or equivalent under the IRL to conduct all or certain types of procurement using the APA approach detailed in paragraph 3.05 of the aforementioned CDB Procurement Procedures, on a temporary basis for the duration of the IRL. The acceptance of this temporary APA approach would require a procurement assessment, but CDB might accept a recent assessment by another institution or a shortened assessment of the public procurement system, and the executing agency's capacity to demonstrate that procurement controls and capacity to the satisfaction of CDB are in place. The proposed public procurement arrangements would need to be acceptable to CDB and conform with CDB's core procurement principles and integrity requirements.

4.30 Procurement Plans and Procurement Strategies would generally not be required for IRLs but, unless otherwise required by CDB, in reconciling the use of funds provided the BMC will need to demonstrate on an ex-post basis that the procurement was in accordance with the provisions of the Loan Agreement.

4.31 BMCs will be expected to establish and utilise framework agreements, acceptable to CDB, in conformity with the relevant provisions of the aforementioned procurement procedures, to procure eligible goods, works and services that are required on a regular basis under IRLs. This is likely to involve agreements with contractors for initial clearing and clean-up activities and consultants to supervise such activities, as well as with consultants for preparing designs and tender documents, for goods and works to be contracted under future RRLs or equivalent, and for the provision of psychosocial services.

Contingent Emergency Response Component

4.32 The Contingent Emergency Response Component (CERC) provides *ex ante* contingent financing as part of a standard investment loan. International Financial Institutions now use this instrument as part of the primary effort to support beneficiary governments which are highly vulnerable to natural disasters to improve their preparedness and response capacity. A CERC within a project allows for funds to be quickly reallocated from project components, to undertake emergency recovery activities in the event of a disaster. This provision averts the need for time consuming project restructuring because the budget line is already in place within the project. It facilitates rapid utilisation of loan proceeds by minimising the number of processing steps and modifying fiduciary and safeguard requirements to support rapid implementation. Contingent components can be either be allocated a budget or designed as a contingent window. The component can be used to finance the overall emergency response or specific works, goods, and services. A contingent window is an integral part of the project but receives only a small or no allocation at the time of project approval. It is not intended as budgetary support. In the case of a natural hazard event, uncommitted funds can be reallocated to this window from other components. Active investments can also be restructured to include a CERC.

4.33 In the design of capital projects, the inclusion of a CERC will be considered at the request of the government. This will be reflected in the loan agreement and the terms and conditions. Where the possibility of a reallocation is included in the project description, the reallocation will not constitute a formal restructuring of the project. The original intent and objective of the loan will not be altered with the use of the CERC. The funds released by the CERC are to be used only for addressing response and recovery efforts and not for new projects. If the CERC is not activated during the project's life, allocated funds can be reassigned to other aspects of the project that may need additional support.

4.34 In the event of an emergency, the CERC is implemented following the application by the affected BMC to the President. The BMC will request the triggering of the CERC via a letter advising of the impact of a disaster and the declaration of a disaster area, Level 2 disaster, or a national emergency. The application must establish a causal relationship between the emergency and the need to trigger the component and will also include a damage assessment prepared by the NDMO, or a reputable third party. A needs assessment and list of immediate needs and a detailed Action Plan of Activities utilising the proceeds will also be submitted for approval. Once the requirements for activating the CERC are met, uncommitted funds from the project are reallocated to the CERC and made available to support emergency activities, various aspects of relief, goods, works, services, and/or emergency operating costs as detailed in the Action Plan and other types with an implementation period of up to 18 months. All funds must be committed within 12 months. Formal restructuring of the project will be deferred to within three months from the activation of a CERC. Goods purchased up to twelve months before the emergency and utilised for the emergency response, can generally be financed by the Bank. Following the disbursement of the funds, the government will engage the Bank on rescoping the project and charting a way forward for the completion of the project.

4.35 All activities to be financed through a CERC are subject to CDB's ESRP and audit. The Action Plan of Activities must be prepared before the activation of a CERC, and provide detailed information on: (a) the mechanism for activating the CERC; (b) the amount requested and rationale; (c) the coordination and implementation arrangements; (d) procurement, financial management, and disbursement functions; (e) compliance with safeguard policies; and (f) M&E. The government will determine the agency to be responsible for the implementation of the CERC.

4.36 On receipt of the application and documentation, the Director of Projects, with the assistance of appropriate divisions/units, will review the application. If the application to trigger the CERC is deemed to be in compliance with stipulated criteria, a Staff Report will be prepared and presented to the Loans Committee for their review and recommendation and then to the President for his approval.

4.37 Procurement under a CERC shall be conducted in accordance with the Procurement Policy for CDB Financed Projects and Procurement Procedures for CDB Financed Projects (November 2019, as updated from time to time). Exceptions to the aforementioned Procurement Policy and Procedures are permitted where so specified in DiMSOG, which for CERCs include:

- (a) procurement eligibility shall be extended beyond CDB member countries to all countries; and
- (b) subject to CDB's approval, the use of appropriate selection methods and approaches to expedite procurement, other than those which would apply in a normal operating environment, while still employing competitive approaches as far as is possible, to ensure BMCs are able to respond to disasters in the most effective and time sensitive manner possible.

4.38 CDB may permit the use of BMC public procurement laws, regulations or equivalent to conduct all or certain types of procurement, using the APA approach detailed in paragraph 3.05 of the aforementioned CDB procurement procedures on a temporary basis, for the duration of the CERC. The acceptance of this temporary APA approach would require a procurement assessment but CDB might accept a recent assessment by another institution or a shortened assessment of the public procurement system and the executing agency's capacity to demonstrate that procurement controls and capacity to the satisfaction of CDB are in place; and increased post review by CDB, where prior review would usually be employed. These proposed public procurement arrangements will need to be acceptable to CDB and conform with CDB's core procurement principles and integrity requirements.

4.39 When a CERC is activated, the BMC will prepare a separate Procurement Plan from the existing plan for the wider project. This plan shall apply only to financing under the CERC component of the project. Such Procurement Plans may utilise greater post-review by CDB than would be employed outside of the context of a natural disaster so as to expedite project implementation.

4.40 The procurement arrangements under a CERC may involve, as relevant, utilising framework agreements, in conformity with the relevant provisions of the aforementioned procurement procedures and international or regional pooled procurement mechanisms, acceptable to CDB, to procure eligible goods, works or services.

4.41 A detailed guidance note to staff will be prepared to provide directions on including CERC in standard investment projects, and to aid the design of CERC components. It will provide information on: (a) the general features and characteristics of contingent emergency response components; (b) procurement procedures and documentation required to support disbursement; and (c) a list of eligible goods for purchase. It will also highlight excluded goods that may trigger safeguard policies.

Reallocation of Resources within Country Portfolio

4.42 When BMCs are impacted by natural hazard induced disasters, these can result in casualties and loss of life, dislocation of persons, significant economic losses, damage to critical infrastructure. Based on the extent and locations of these impacts, capital investment projects may be directly or indirectly affected. This results in a short-term change in government priorities from development to providing immediate relief and response, and recovery services to the affected population resulting in an urgent need to find funding to provide recovery activities. The Bank's policies allow BMCs to reallocate resources in their existing CDB financed portfolio to help them meet rehabilitation and reconstruction needs. In addition, under project supervision rules, unused balances of completed components can be reallocated to other components of the project without Board approval. The government of the affected BMC requiring such reallocation makes a request to the Bank. Discussions are undertaken to decide which projects will be affected. In these circumstances where there are substantive changes in design and scope of services for a project, authorisation must be approved by the Board.

Rehabilitation and Reconstruction Loan

4.43 The RRL is intended to help the governments of affected BMCs achieve the objectives of its recovery programme and specifically the rehabilitation of social and economic infrastructure and the restoration of key economic sectors to 'build back better' than pre-disaster levels, whilst also building in precautions to reduce vulnerability to future hazard events and CC. In the analysis of vulnerability and risk, consideration should be given to both structural and non-structural mitigation measures.

4.44 It is anticipated that BMCs will have developed a generic recovery strategy prior to the disaster event elaborating national and sectoral strategies and pre-identified frameworks in areas such as: national disaster coordinating mechanisms, emergency procurement framework agreements, use of innovative tools and methodologies for building quality resilient infrastructure. Following a disaster event, the affected BMC will modify its generic recovery strategy to consider specific circumstances, and especially the following considerations:

- (a) the quickest possible alleviation of human suffering;
- (b) the impact of the disaster on the economic performance, which may require the Government to modify its priorities and investment programmes;
- (c) matching the resources required for rehabilitation against available resources, in particular, financial and human resources;
- (d) the mitigation or removal of post-disaster threats to the affected population and early restoration of economic activity;
- (e) the incorporation of appropriate risk reduction measures to reduce the country's vulnerability to future disasters;
- (f) the Government's commitment to restore normalcy to administrative, regulatory and cost recovery mechanisms at the earliest date; and
- (g) collaboration and coordination among development partners for speed, efficient and effective use of resources to support reconstruction efforts.

4.45 Request for an RRL should be made in writing to the President within six months of the disaster if it is a rapid-onset event such as a hurricane. For slow-onset events such as floods or drought, the request

should be made as soon as the affected BMC determines that significant economic and social damage has occurred. The request should be accompanied by the recovery strategy, a damage and loss assessment, an itemisation of the loan's intended use, and a preliminary budget.

4.46 On receipt of the request from the BMC, CDB will undertake due diligence to assess the impact of the disaster, engage in discussions with the BMC as to its recovery strategy, and, where possible, mobilise a field mission to visit and to work with the BMC to identify project elements, including risk reduction measures, to be incorporated into the RRL. Input will be sought from national agencies to ensure that rehabilitation methods satisfy best mitigation practices and meet national physical planning and building code requirements. If a temporary solution is required for economic or humanitarian purposes these will be facilitated contingent on the provision of a relocation plan to permanent housing for the affected persons.

4.47 CDB will prioritise the request for an RRL through its procedures and avoid the inclusion of burdensome conditions precedent to the loan's first disbursement. Furthermore, the Bank will incorporate loan conditions linked directly to rehabilitation. CDB will provide retroactive financing for rehabilitation works undertaken or goods supplied during the transition period between the immediate response and rehabilitation phases. The amount of retroactive financing for eligible disaster rehabilitation expenditures will not normally exceed 30% of the rehabilitation loan, as pertains from the previous Strategy.

4.48 A major rehabilitation project could utilise all uncommitted resources allocated to a country in CDB's assistance programme. In addition, CDB, in consultation with the relevant country, may decide to:

- (a) reallocate available balances under loans already approved to the country, provided that such reallocation is compatible with the requirements of the funding source;
- (b) restructure the lending programme and, where feasible, allocate additional resources from other sources; and
- (c) review its total lending programme to identify funds which could be reallocated from other countries.

4.49 As far as possible, CDB will use funds from its SFR, for eligible countries, to finance some portion of a disaster rehabilitation project. The level of burden and risk sharing of other key stakeholders and development partners, especially the contributions of CDB shareholders should be considered in the design of the intervention to be provided to the country.

4.50 To allow for speedy processing, the document presented to the Board will be a Staff Report. Appendix 7 provides the format for the Staff Report. CDB's ESRP risk categorisation, is not applicable to RRLs, however, once such projects have been identified for financing, environmental and social expertise shall be included in the project design and appraisal team. In cases which involve Indigenous Peoples or involuntary resettlement, draft framework plans may be included for further development.

4.51 Procurement shall be conducted by BMCs in accordance with the Procurement Policy for CDB Financed Projects and Procurement Procedures for CDB Financed Projects (November 2019, as updated from time to time) and any waivers to the aforementioned policy and procedures would be sought on a case-by-case basis to respond to the specific circumstances of the project. Such waivers may include the need to expand eligibility beyond CDB member countries and to refine selection methods and approaches to expedite the procurement process and the realisation of the developmental outcomes sought.

APPENDIX 1

This information is withheld in accordance with one or more of the exceptions to disclosure under the Bank's Information Disclosure Policy.

RESULTS MONITORING FRAMEWORK

IMPACT: Increased Capacity of BMCs to Manage Disaster Risks and Recover from the Impact of Natural Hazard Events		
STRATEGIC PILLAR	OUTCOME	OUTCOME INDICATOR
<p>Pillar 1: <i>Resilience Building in BMCs (national, sectoral and community levels).</i></p> <p>Support BMCs efforts to reduce disaster risks resulting from natural hazard impacts and CC (pre and post assistance).</p> <p>Facilitate rapid and appropriate assistance to BMCs in response to disasters and enhance revitalisation of development efforts (immediate response).</p> <p>Enhance community resilience.</p>	<p>1(a) BMCs mainstream DRM into national development plans, sectoral policies, strategies and public sector investment programmes for better planning and evidence-based decision making.</p> <p>=====</p>	<p>No. of BMCs with adopted and approved national DRM frameworks as part of the national development strategy, which integrate capacity building climate risk resilience and gender considerations. <i>Baseline⁶: 2 Target:5</i></p> <p>No. of planning/building approval departments, Ministries of Planning/Development/Finance and other national and regional institutions with increased capacities for incorporating natural hazard and climate risk data and information into their development planning. <i>Baseline: 0 Target: 5</i></p> <p>No. of national and regional institutions (national meteorological offices, water resources authorities, CCCCC, Caribbean Institute for Meteorology and Hydrology, Climate Studies Group Mona and CDEMA) with increased capacities for climate data processing and impacts-based forecasting (Early warning system-institutional capacity strengthening). <i>Baseline: TBC Target: 8</i></p> <p>=====</p> <p>No. of Partnerships supporting community-based DRM and CCA actions within BMCs. <i>Baseline:2 Target: 2</i></p>
	<p>1(b) Vulnerable communities have increased knowledge of DRM issues and capacity to respond to and deal/cope with them.</p> <p>=====</p>	<p>No. of communities with improved capacity to address CC and DRM <i>Baseline:70 Target:82</i></p> <p>=====</p>
	<p>1(c) DRM and climate resilience tools and knowledge management products produced and applied at the national and local/community levels.</p>	<p>No. of tools and guidance resources, education and awareness programmes made available to promote resilience building to disaster and climate impacts. <i>Baseline: TBC Target: 8</i></p>
	<p>Pillar 2: <i>Institutional Capacity Building in CDB</i></p>	<p>2) CDB updates and expands its suite of financial instruments that incentivise BMCs to adopt proactive approaches to DRM and facilitate their recovery from natural hazard events.</p>

⁶ Baseline year is 2020.

<p>Strengthen the Bank's effectiveness in supporting its BMCs to systematically reduce the risks related to disasters resulting from natural hazard impacts and CC.</p>		<p><i>Baseline: 6 Target: 8</i></p> <p>No. of eCPAs, CES and PBLs that incorporate DRM and CCA considerations. <i>Baseline: TBC Target: 8</i></p> <p>Percentage of Operations staff trained on disaster risk assessment and management. <i>Baseline:30 Target: 40</i></p>
<p>Pillar 3: <i>Partnerships and Resource Mobilisation</i></p> <p>Collaborate with development and other partners to increase the effectiveness of donor interventions in DRM/CCA.</p>	<p>3) Increased Partnerships to mobilise concessional resources for DRM in BMCs and at the regional level.</p>	<p>No. of DRM/CC related partnership agreements signed or concluded. <i>Baseline: 2 Target: 4</i></p> <p>No. of DRM and CCA finance risk initiatives developed or implemented jointly with development partners and/or the private sector. <i>Baseline:1 Target:3</i></p> <p>Percentage (%) increase in concessional resources mobilised for DRM and CCA. <i>Baseline: 14 Target: 20</i></p>
<p>Assumptions for Achieving Outcome 1:</p> <ul style="list-style-type: none"> (a) BMC's Governments and regional institutions demonstrate commitments for DRM and CCA. BMC's Governments and regional institutions have capacity to implement DRM and CCA programmes and activities. (b) Investments in community resilience are prioritised by BMCs and Development Partners. (c) Key partners and stakeholders find the knowledge products useful to inform planning and decision-making processes. <p>Assumptions for Achieving Outcome 2:</p> <ul style="list-style-type: none"> (a) Continued prioritisation of DRM and CCA consideration in CDB financing. <p>Assumptions for Achieving Outcome 3:</p> <ul style="list-style-type: none"> (a) Key partners and stakeholders find the knowledge products useful to inform planning and decision-making processes. 		

LISTING OF INSTRUMENTS, FUNDING AVAILABILITY AND ELIGIBILITY CRITERIA

Financing Instruments	Indicative SDF Requirements	Eligibility
<p>Grants</p> <p>(a) Annual allocation to CDEMA to: (i) train and deploy damage assessment teams; (ii) train and deploy emergency response teams; (iii) supplement technical support to the National Disaster Management Offices to manage operations; and (iv) stock and maintain sub-regional warehouses with expanded list of items to respond to emergencies.</p> <p>(b) Direct grants from CDB to: (i) support regional inter-agency coordination; and (ii) finance BMCs' response to slow onset events, e.g., drought which requires a more customised approach and catastrophic events such as multi-island strikes that may overwhelm CDEMA's capacity.</p>	<p>USD2.5 mn</p> <p>USD2.5 mn</p>	<p>All BMCs</p>
<p>(c) Support under the country incentive programme including but not be limited to: (i) analytical assessments for national or sectoral DRM; (ii) the design, preparation and implementation of policies and strategies to address gaps and deficiencies in current management and administrative systems for CDM, environmental management and CCA; and (iii) development and implementation of interventions to help vulnerable groups better prepare and plan for all phases of disaster management.</p>	<p>USD10 mn</p> <p>Maximum USD750,000 per intervention.</p>	<p>All BMCs</p> <p>Countries should have a country work programme approved by CDEMA, as well as a CDB approved country engagement strategy that includes DRM initiatives.</p>
<p>Immediate Response Loans (IRL)</p> <p>IRLs will not exceed USD5 mn per event, of which up to a maximum of USD2.5 mn will be from the SDF set-aside. Activities will include:</p> <p>(a) the repair, replacement or the installation of measures to protect and restore vital economic infrastructure;</p> <p>(b) consultancy services to support execution of detailed damage and loss assessments;</p> <p>(c) early-stage recovery activities including supporting consultancy services for the delivery of specialist technical expertise and/or augmenting assistance being provided by other partner development institutions;</p> <p>(d) boosting productivity or regenerating livelihoods of the most poor and vulnerable;</p> <p>(e) psychosocial services; and</p> <p>(f) consultancy services to prepare designs for high priority critical projects for the longer-term rehabilitation phase.</p>	<p>USD20 mn from set aside (to be blended with other resources).</p> <p>The blend will take into consideration the BMCs' fiscal and debt situation, per capita income, and the severity of the natural hazard impact.</p>	<p>All BMCs will have access to the set-aside. BMCs with loan allocations (Groups 2 and 3) can access additional SDF resources up to USD2.5 mn per event.</p>

Financing Instruments	Indicative SDF Requirements	Eligibility
<p data-bbox="201 344 672 369">Rehabilitation and Reconstruction Loans</p> <p data-bbox="201 407 860 613">The Rehabilitation and Reconstruction Loan is intended to help Government of the affected BMC achieve the objectives of its recovery programme and specifically, to rehabilitate social and economic infrastructure and restore key economic sectors to ‘build back better’ than pre-disaster operating levels, whilst also building in actions/measures to reduce vulnerability to future disasters and CC.</p>	<p data-bbox="880 407 1148 491">SDF USD20 mn from set-aside (to be blended with other funds).</p> <p data-bbox="880 529 1148 735">The blend will take into consideration the BMC’s fiscal and debt situation, per capita income, and the severity of the natural hazard impact.</p>	<p data-bbox="1167 407 1468 550">All BMCs will have access to the set-aside. Only those BMCs with loan allocations (Groups 2 and 3) can access additional SDF resources.</p>
<p data-bbox="201 743 721 768">Contingent Emergency Response Component</p> <p data-bbox="201 806 860 1071">The Contingent Emergency Response Component (CERC) is intended to improve the preparedness and response capacity of the BMC government by allowing a rapid response once an emergency occurs. A CERC is a component within a project that allows for funds to be quickly reallocated from project components, to undertake emergency recovery activities in the event of a disaster. It averts the need for time-consuming project restructuring because the budget line is already in place within the project.</p>	<p data-bbox="880 806 1123 831">Not Applicable (N/A).</p>	<p data-bbox="1167 806 1224 831">N/A.</p>

PROACTIVE ASSISTANCE FOR DISASTER RISK MANAGEMENT

Template for Request for Proactive Assistance in Disaster Risk Reduction

Proposals should be concise, follow the headings listed below and be addressed to the Director of Projects.

1. Project Title.
2. CDB Programme Area(s) addressed by the proposed project:
 - (a) institutional Support for DRM/CCA;
 - (b) management of CDM Knowledge;
 - (c) mainstreaming of DRM/CCA;
 - (d) implementation of risk reduction measures (preparedness, mitigation and prevention); and
 - (e) community Resilience/ DRR/CC knowledge products to inform community resilience.
3. Objectives.
4. Project Description and Activities.
5. Geographical Scope.
6. Time Frame.
7. Project Proponents.
8. Beneficiaries.
9. Budget.
10. Expected Outputs and Outcomes.
11. Evaluation Indicators.

REGIONAL EMERGENCY RELIEF ASSISTANCE PROGRAMME

List of Items for Emergency Relief Assistance To Be Stored in Sub-Regional Warehouses

TEMPORARY SHELTER MATERIALS/SHELTER MANAGEMENT

Tarpaulin 12' x 16 Poly Nylon
Tarpaulin 20' x 20' Poly Nylon
Tarpaulin 30' x 40' Poly Nylon Heavy Duty
Tarpaulin 40' x 40' Poly Nylon Heavy Duty
Tents – General Purpose (Medium) smaller
Tents – General Purpose (Large) smaller
Nylon Ropes
Mattresses – Double Size Standard
Hygiene Kits (Family)
Disposable Paper Cups
Disposable Paper Plates
Disposable Eating Forks
Disposable Dinner Plates
Disposable spoon
Drinking Cups – Plastic 12 oz.
Garbage Bins
Garbage bags with ties
Shelter Managers Kits/ Shelter Kit

BEDDING

Disaster Blankets Wool/Polyester/Acrylic
Children Blankets
Sleeping Cots
Bed Sheets - Coloured

GENERAL SUPPLIES

First Aid Kits 50 man
Packaging Materials
Tote Box – Heavy Duty
Power Saws
Pallets
Portable Toilets
Pallet Jack
SAR Kits/ Drop Kit - Personal Operational Kit

WATER CONTAINMENT

Water Container – Collapsible not recommended. 5 gallons bottles.
Water Container – Collapsible 2.5 gallons.
Water Bladder 1,000 gallons (water tanks 500 and 1,000 gallons).
Water Tanks 1,200 gallons
Water Pumps – Trash Type complete with accessories.

LIGHTING

Floodlights 1,000 Watts

Generators Portable 5,500 Watts

Flashlights 2 – cell Size D Battery

Floating Lanterns 4D Battery

PROTECTIVE CLOTHING

Water Boots Knee High various sizes

Raincoat various Sizes: Medium, Large, X large.

Leather Work Gloves Double Palm

Rescue Boots

Back Support Belt

Life Jackets - Adults

Life Jacket - Children

Safety Vests

IMMEDIATE RESPONSE LOAN

List of Works and Consultancy Services for Inclusion in Immediate Response Loans

The IRL is designed to support immediate short-term response and early recovery activities, including design works for the reconstruction effort, to shore up critical assets, capacity or productivity instead of humanitarian or emergency relief supplies or a comprehensive response to reconstruction.

Activities could include:

- (a) repair/restoration of utilities roads, bridges, culverts, drains and associated furniture;
- (b) procurement of consultancy services for the delivery of specialist technical expertise;
- (c) procurement of consultancy services to support detailed sector damage and loss assessments;
- (d) psychosocial services provided by partner development institutions;
- (e) procurement of consultancy services to prepare designs for high priority critical projects which must be included as part of early recovery or in the longer-term rehabilitation phase;
- (f) removal of landslips;
- (g) installation of slope stabilisation measures;
- (h) construction or repair of sea defences;
- (i) construction of temporary bridges, causeways, or fords;
- (j) reinstatement of water supply; and repairs to police, fire, medical and other emergency response facilities and/or equipment; and
- (k) boosting productivity or regenerating livelihoods of the most poor and vulnerable e.g. fishermen, subsistence farmers by providing transitional safety net support.

REHABILITATION AND RECONSTRUCTION LOAN

Template for Staff Report

Staff reports for DRM should be concise with detailed documentation being placed in appendices. The page limits suggested below relate to the body of the report.

<p>1. Introduction (2 pages)</p> <ul style="list-style-type: none">Project Background and HistoryMacro-Economic Factors/ConsiderationsSector AnalysisCDB's Contribution/Previous Lending (Sector) <p>2. The Project (5-7 pages)</p> <ul style="list-style-type: none">Objectives/RationaleLocation and SiteDesign/Alternatives/Technology/Least Cost AnalysisProject Description/ScopeCapital Cost and Project Financing/CommitmentsImplementation PlanProcurementDisbursementOperation/Production/Process DescriptionProject ManagementProject RiskEnvironment and Social Impact AnalysisMonitoring Indicators	<p>3. The Borrower and Guarantor/ Executing Agency (1 page)</p> <ul style="list-style-type: none">Legal Status/Capacity/General Powers and DutiesFiscal Performance <p>4. Justification and Benefits (1 page)</p> <p>5. Terms and Conditions (2 pages)</p> <ul style="list-style-type: none">Loan Amount - CDB FinancingRepayment TermsConditionsReports and Records
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