



Disaster Management Strategy
& Operational Guidelines
2009



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CARIBBEAN DEVELOPMENT BANK

**DISASTER MANAGEMENT
STRATEGY
AND
OPERATIONAL GUIDELINES
2009**



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LIST OF ACRONYMS

BMC	Borrowing Member Country
CCA	Climate Change Adaptation
CCCCC	Caribbean Community Climate Change Centre
CDB	Caribbean Development Bank
CDEMA	Caribbean Disaster Emergency Management Agency
CDEMA-CU	Caribbean Disaster Emergency Management Agency Coordinating Unit
CDERA	Caribbean Disaster Emergency Response Agency
CDM	Comprehensive Disaster Management
DiMSOG	Disaster Management Strategy and Operational Guidelines
DRM	Disaster Risk Management
ERG	Emergency Relief Grant
IDRO	International Disaster Relief Organization
IFI	International Financial Institution
IPCC	Intergovernmental Panel on Climate Change
IRL	Immediate Response Loan
MDB	Multilateral Development Bank
NDMSOG	Natural Disaster Management Strategy and Operational Guidelines (1998)
ODM	Office of Disaster Management
RRL	Rehabilitation and Reconstruction Loan
UNFCCC	United Nations Framework Convention on Climate Change
UN-ISDR	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 (IPCC).

Climate Change refers to a change in climate which is attributed directly or indirectly to human activity which alters the composition of the global atmosphere and which is 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 refers to a serious disruption of the functioning of a society, community or a project causing widespread or serious human, material, economic or environmental losses, which exceed the coping ability of the affected society, community or project using its own resources. Source: United Nations International Strategy for Disaster Reduction (UN-ISDR).

Disaster Risk Management refers to the systematic process of using administrative decisions, organization, operational skills and capacities to implement policies, strategies and coping capacities of the society and communities to lessen the impacts of natural hazards and related environmental disasters. This comprises all forms of activities, including structural and non-structural measures to avoid (prevention) or to limit (mitigation and preparedness) adverse effects of hazards. Source: UN-ISDR.

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: UN-ISDR.

(v)

Hurricane refers to a rotating, intense low pressure system, which forms over tropical oceans with maximum surface wind speeds that exceed 74 mph (119 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.

Mainstreaming can be defined as the process of analyzing how a particular process impacts on all sectors, now and in the future, both internally and externally, to determine how each sector should respond based on its comparative advantage.

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 structural and non-structural measures undertaken to limit the adverse impact of natural hazards, environmental degradation and technological hazards. Source: UN-ISDR.

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: UN-ISDR.

Prevention refers to activities to provide outright avoidance of the adverse impact of hazards and means to minimize related environmental, technological and biological disasters. Source: UN-ISDR.

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

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.

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.

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 The Disaster Management Strategy and Operational Guidelines (DiMSOG) outlines the Caribbean Development Bank's (CDB) strategy and operational guidelines for assistance to its Borrowing Member Countries (BMCs) for disaster risk management (DRM) and climate change adaptation (CCA). It replaces the 1998 Natural Disaster Management Strategy and Operational Guidelines (NDMSOG), amended in February and December 2000.

1.02 The main purpose of the DiMSOG is to provide clarity to the BMCs on the scope and nature of CDB's DRM and CCA interventions, and strategic direction and operational guidance for CDB staff.

1.03 The DiMSOG has been developed in the context of the following:

- (a) increase in the number and seriousness of natural hazards resulting in disasters in the BMCs;
- (b) emerging scientific evidence showing that climate change and climate variability is 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, affecting the poorest people the most;
- (d) evidence that the financial costs of disasters have increased significantly since the NDMSOG was accepted in 1998;
- (e) indication that the increasing number of disasters resulting from natural hazards may jeopardise the achievement of the Millennium Development Goals;
- (f) changing international and regional framework for DRM; and
- (g) understanding of the linkages between environmental sustainability, DRM and climate change, such that the continuing degradation of natural ecosystems results in increasing vulnerability to natural disasters (especially for the poor) and a decreasing capacity to adapt to climate change.

1.04 The DiMSOG is consistent with the Bank's strategic focus of assisting its BMCs to reduce poverty and improve the quality of life of its citizens by promoting broad-based and sustainable economic growth.

2. RATIONALE

2.01 Environmental degradation, which is often a result of inadequate planning, unsustainable land use practices and weak institutional frameworks, is well-recognized as both a cause and an outcome of natural disasters, particularly impacting the livelihoods and well-being of the poor and vulnerable. Natural disasters, which are exacerbated by climate change, pose a growing threat to the development strategies of Caribbean countries by destroying infrastructure and productive capacity, interrupting social and economic activity, and creating irreversible changes in the natural resource base. With increasing frequency, countries in the region are facing situations in which scarce resources that were earmarked for development projects have to be diverted to relief and reconstruction following disasters, thus setting back economic growth.

2.02 Over recent decades, CDB's involvement with disaster management has expanded such that disaster risk management is a cross cutting theme in its 2005-2009 Strategic Plan and a strategic theme in the seventh cycle (2009-2012) of its Special Development Fund. Over the period 1998-2008, CDB's assistance to its BMCs under the NDMSOG amounted to 11.37% of the Bank's total lending and technical assistance.

2.03 Disasters have increased globally both in frequency and intensity over the last 30 years. In particular the number of category 4 and 5 North Atlantic hurricanes increased from 16 in the period 1975-1989 to 25 in the period 1990-2004. Disaster losses are rising due to increased risk, a product of the rise in incidence and strength of hazards and the growing vulnerability of human settlements concentrated in high risk areas where the risk is further exacerbated by inappropriate and unsustainable social, economic and environmental practices. For example in 2004, Hurricane Ivan caused a total economic impact of USD4,916 mn in the Cayman Islands, Grenada and Jamaica, whilst in 2008, four back-to-back tropical storms and hurricanes resulted in 793 deaths in Haiti.

2.04 The Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) (2007) states that it is 'more likely than not' that there is a human contribution to the observed trend of hurricane intensification since the 1970's and projects that in the future there is a better than 66% probability that future hurricanes will become more intense with higher peak wind speeds and increased precipitation totals. Based on the IPCC, projected changes in Caribbean climate by 2099 include the following:

- (a) rising temperatures (+1.4° to 3.2°C);
- (b) rising sea levels (+0.18 to 0.59 m);
- (c) increased ocean acidity (+0.14 to 0.35 pH units);
- (d) likely (>66% certainty) increase in hurricane intensity;
- (e) decrease in summer rainfall in the Greater Antilles and changing precipitation patterns elsewhere; and
- (f) increase in flood events.

The Caribbean region is therefore likely to continue experiencing an increase in the frequency and severity of climate-related hazards in the coming decades, making the need for effective DRM and climate change adaptation ever more important.

2.05 There is considerable potential for synergy between the DRM and CCA agendas such that countries can minimize losses by integrating CCA and DRM into development strategies, by assessing potential risks in their development planning processes, and allocating resources for risk reduction.

2.06 The institutional framework for DRM and CCA in the Caribbean region has, over the years, developed significantly. There are now Offices of Disaster Management (ODM) supported to a varying degree by national policies, legislation and regulations in all the BMCs, as well as a well established regional organization, the Caribbean Disaster Emergency Management Agency¹ (CDEMA) formerly the Caribbean Disaster Emergency Response Agency (CDERA). CDEMA coordinates the Enhanced Comprehensive Disaster Management (CDM) Strategy (2007-2012), which builds on the Hyogo Framework for Action, and provides a framework for harmonized DRM interventions in and across the region. Recent developments such as the Caribbean Catastrophe Risk Insurance Facility provide new

¹ The name of the agency was officially changed in September 2009.

opportunities for risk reduction through parametric insurance. More recently introduced, Climate Change Focal Points in the BMCs, and the regional Caribbean Community Climate Change Centre (CCCCC), provide the institutional framework for climate change response.

2.07 In the past decade, other multilateral development banks (MDBs) have developed new DRM policies or revised existing ones. Almost universally they have moved away from a reactive stance to a more proactive approach emphasising prevention, mitigation and risk reduction. Some development institutions have also built linkages between DRM and CCA in their approaches.

2.08 Based on the foregoing and an external assessment, conducted in 2008, of CDB's natural DRM assistance for its BMCs (1998-2006), it was timely to review and update the 1998 NDMSOG.

3. STRATEGY

Goal

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

3.02 The Bank is committed to assigning high priority to DRM. CDB's more recent strategic and proactive approach to DRM reflects an understanding that the impacts of disasters can create a cycle of vulnerability within the BMCs that can seriously hamper the development prospects of a country. Disasters adversely impact important development goals related to poverty reduction, capability enhancement, good governance and environmental sustainability. Studies show that for every dollar invested in disaster risk reduction, between two and four dollars are returned in terms of avoided or reduced disaster impacts. As a result, the traditional emphasis on response through post-disaster lending is being shifted towards the encouragement of activities to avoid or to limit adverse effects of hazards through activities in the BMCs that help to break the cycle of vulnerability. From this perspective, the approach to DRM may be viewed as an investment in sustainable development by helping BMCs in the long run to reduce costs.

Underlying Principles

3.03 The underlying principles of the new strategy, (which supersedes the 1998 strategy), include the following:

- (a) adoption of an holistic, multi-hazard approach to DRM, that also accounts for climate change, and focuses on risk reduction, which is seen as the main theme of the strategy;
- (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) understanding that public awareness is essential for changing attitudes and behaviours and is therefore an important part of risk reduction;

- (d) advancing the Enhanced CDM Strategy, which has been developed as an overarching DRM framework for the Caribbean and is utilized by all BMCs and Development Partners;
- (e) improving organizational 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 New Strategy

3.04 The types of disasters covered by this strategy are those caused by geophysical and hydro-meteorological hazards. They are defined in the glossary and include:

- (a) tropical waves, tropical depressions, tropical storms, hurricanes, extra-tropical storm events, periods of excessive rainfall;
- (b) floods including flash floods;
- (c) droughts, brush and forest fires;
- (d) periods of raised sea surface level and storm surges;
- (e) prolonged periods of raised temperatures;
- (f) earthquakes and tsunamis;
- (g) land subsidence and landslides; and
- (h) volcanic events.

3.05 The different hazards covered by this strategy can interact resulting in a cumulative effect. For example the heavy rains often associated with a hurricane may generate floods and landslides, thus wherever possible a multi-hazard approach should be adopted. The strategy gives consideration to 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. Similarly the strategy includes high frequency/lesser impact events, such as frequent floods or droughts, which may have a significant cumulative impact on a country's economic development.

Areas Outside the New Strategy

3.06 Recognizing the Bank does not have a comparative advantage in the area of humanitarian response, such assistance will be addressed primarily by other partners. In the case of emergency relief grants exceptional circumstances could change this position in certain cases.

3.07 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. However, it is recognized that after certain very high impact disaster events, complex emergency situations may develop and in such cases the Bank will endeavour to assist where appropriate.

3.08 The prevention of technological hazards, epidemics and pandemics, will be managed in accordance with applicable sector policies and are not therefore considered under DiMSOG.

Themes

3.09 The purpose of the strategy has three inter-related themes. Specifically these are to:

- (a) support BMCs efforts to reduce risks related to natural disasters and climate change, and to facilitate rapid and appropriate assistance to the BMCs in response to disasters in an effort to assist in the revitalization of their development efforts;
- (b) strengthen the Bank's effectiveness in supporting its BMCs to systematically reduce the risks related to natural disasters and climate change; and
- (c) collaborate with other Development Partners to increase the effectiveness of donor interventions in DRM and CCA.

A summary matrix showing the strategy is presented in Table 1. Evaluation indicators for assessing the progress of the strategy are included in Appendix 1.

3.10 Under the first theme, risk reduction measures in the BMCs will be supported through:

- (a) proactive assistance to the BMCs to reduce their risk to natural disasters and climate change through loan financing, grants, and blends of loan and grant funds. The Enhanced Caribbean CDM Strategy provides the framework for this proactive assistance, which will include institutional strengthening, knowledge building, mainstreaming DRM and CCA in socio-economic sectors, implementation of risk reduction measures, and building community resilience;
- (b) rapid and effective post-disaster response that will assist BMCs in their economic, social and environmental recovery, whilst also reducing vulnerability. The previously existing financial instruments under the NDMSOG, the emergency relief grant (ERG), immediate response loan (IRL), and rehabilitation and reconstruction loan (RRL), have been revised to reflect greater flexibility and streamlining, clearer procedures, and a greater emphasis on risk reduction.

3.11 The second theme provides for strengthening the Bank's effectiveness in ensuring that DRM and climate change response are treated holistically such that a multi-hazard approach, including climate change adaptation, is integrated into CDB's processes and procedures, including, but not limited to, the following: strategic planning; project cycle; country strategy papers; poverty reduction papers; policy based loans; and professional capacity building.

3.12 Within the scope of the third theme, CDB's DRM and CCA interventions will be conducted in a harmonized manner through collaboration with the CDM Coordination and Harmonization Council, the CCCCC, and other regional groups, and through joint interventions with other MDBs and Development

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

GOAL			
Contribute to sustainable development and poverty reduction in the BMCs by reducing the burdens caused by disasters due to natural hazards and climate change through effective DRM.			
PURPOSE			
Together with other Development Partners, support BMCs' efforts to reduce risks related to natural disasters and climate change, and facilitate rapid and effective post-disaster assistance by the Bank to its BMCs to assist in revitalization of development efforts whilst at the same time reducing vulnerability to future disasters.			
OUTCOME 1		OUTCOME 2	
BMCs less vulnerable to natural disasters and climate change impact.		DRM and CCA effectively addressed by CDB.	
OUTCOME 3			
Donor interventions in DRM and CCA more effective.			
OUTPUT		OUTPUT	
Risk reduction measures strengthened and post-disaster responses effectively implemented to assist BMCs in their economic, social and environmental recovery.		DRM and CCA mainstreamed within CDB.	
OUTPUT			
CDB's DRM and CCA interventions harmonized with those of other Development Partners.			
THEME 1		THEME 2	
<p><u>Proactive Assistance to BMCs to reduce risk through:</u></p> <ul style="list-style-type: none"> (i) institutional foundation for DRM and CCA strengthened; (ii) CDM and CCA knowledge managed and available to users; (iii) DRM and CCA risk reduction measures mainstreamed into different economic sectors; (iv) DRM and CCA risk reduction measures implemented; (v) community resilience enhanced. 		<p><u>Post-disaster Response to BMCs to reduce risk through:</u></p> <ul style="list-style-type: none"> (i) emergency relief grants; (ii) immediate response loans; and (iii) rehabilitation and reconstruction loans. 	
		<p>DRM and CCA treated holistically such that an effective and efficient multi-hazard approach, that includes climate change adaptation, is integrated into CDB's processes and procedures, including, but not limited to, the following:</p> <ul style="list-style-type: none"> (i) strategic planning; (ii) project cycle; (iii) country strategy papers; (iv) poverty reduction papers; (v) policy based loans; and (vi) professional capacity building. 	
THEME 3			
CDB's DRM and CCA interventions conducted in a harmonized manner through: <ul style="list-style-type: none"> (i) collaboration with the CDM Coordination and Harmonization Council; and (ii) joint interventions with other MDBs and Development Partners. 			

Partners. CDB will utilise its comparative advantage, particularly through collaboration with public and private sector financial entities in the BMCs, and on the regional and international stage, to ensure that risk reduction measures are given high priority in the development agenda.

4. OPERATIONAL GUIDELINES FOR SUPPORT TO BORROWING MEMBER COUNTRIES

4.01 The Operational Guidelines seek to provide clarity for the BMCs on the scope and nature of CDB's DRM and CCA interventions, and strategic direction and operational guidance for CDB staff. The guidelines focus on the procedures for risk reduction measures related to natural hazards and climate change and specifically:

- (a) proactive assistance to the BMCs to reduce their risk to natural disasters and climate change; and
- (b) rapid and effective post-disaster response that will assist BMCs in their economic, social and environmental recovery, whilst also reducing vulnerability.

Proactive Assistance for Disaster Risk Reduction and Climate Change Adaptation

4.02 Several development partners and other MDBs are supporting DRM and CCA initiatives in the region and opportunities for joint projects and related activities will be maximised wherever possible.

4.03 Future assistance to BMCs for proactive interventions in DRM and CCA will include grants, loan financing, and blends of loan and grant funds. Regional institutions, government and non-governmental organizations from the BMCs wishing to obtain support from CDB for proactive assistance for DRM and CCA should follow the steps described below (paragraphs 4.04 to 4.08).

4.04 Programme areas to be considered by CDB under the scope of proactive assistance to BMCs for risk reduction include:

- (a) institutional strengthening and capacity building for DRM and climate change response;
- (b) development of databases and monitoring tools for DRM and climate change adaptation including support for scientific modelling of climate change;
- (c) mainstreaming of DRM and climate change adaptation into economic and physical planning processes, and business continuity planning;
- (d) implementation of risk reduction measures (preparedness, mitigation and prevention); and
- (e) building of community DRM and climate change resilience.

4.05 Institutions from the BMCs, wishing to obtain financial support from the CDB for proactive assistance in DRM and CCA should send a letter and short proposal outlining the nature of the assistance requested to the Director of Projects at CDB (see Appendix 2 for a proposal template). The proposal should be concise and include: project title, programme area, objectives, description and activities, geographical scope, time frame, project proponents, beneficiaries, budget, expected outputs and outcomes, and evaluation indicators.

4.06 On receipt of a suitable proposal, the Director of Projects, with the assistance of appropriate divisions, will review the proposal and determine whether it merits consideration within the Bank's programme. The project proponent will be informed of the decision.

4.07 On determining that a particular project request is to be supported by the Bank, further discussions and where necessary, an identification mission, will be conducted by persons from the designated divisions. The project will be processed according to the Bank's standard operating procedures, which include the 2008 Environment and Social Review Procedures. In the case of an investment loan, grant funds from CDB's Special Funds Resources will be used to fund a portion of the project wherever possible. The project document presented to CDB's Board of Directors will be in the form of a concise Staff Report, and not a standard Appraisal Report, see Appendix 2. (A Staff Report omits the calculation of financial and economic Rates of Return as applicable for normal lending).

4.08 Procurement of works, goods and services for proactive disaster risk reduction projects, unless otherwise determined by CDB's Board of Directors, will follow CDB's Guidelines for Procurement. <http://www.caribank.org/titanweb/cdb/webcms.nsf/AllDoc/E8134DEE2B5192130425740400521FC1?OpenDocument> Where CDB proposes to use resources from lines of credit provided by other International Financing Institutions (IFIs), e.g. World Bank, Inter-American Development Bank, European Investment Bank, special procurement arrangements will be negotiated with those IFIs.

Post-disaster Response to Reduce Vulnerability

4.09 CDB has three specific financial instruments to assist BMCs in their economic, social and environmental recovery, whilst also reducing vulnerability. These are the: emergency relief grant (ERG), immediate response loan (IRL), and rehabilitation and reconstruction loan (RRL). Whilst these instruments are viewed as a continuum, an affected BMC may decide to apply for all or only selected instruments.

4.10 On learning that a disaster has affected one or more of the BMCs, CDB staff will work together with country contacts, regional coordinating mechanisms and other organizations, supplemented by media, scientific and meteorological reports, to determine the impact of the disaster on the BMC. Once satisfied that a disaster exists, based on this initial rapid assessment of economic, social and environmental damage, a letter will be issued by the President of CDB offering assistance within the framework of the DiMSOG.

4.11 If desirous of obtaining assistance from CDB, the affected country must respond in writing to the President of CDB, requesting the type of assistance required (ERG, IRL and/or RRL), and providing a preliminary assessment of the damage as may be available from the national ODM or other source.

4.12 If the disaster or disasters are of such a nature that the coping capacity of the country is overwhelmed, then the written request from the country, described in the preceding paragraph, may be waived for an ERG, and in such cases the ERG could be provided to the BMC through a reputable international organization experienced in disaster relief activities.

Emergency Relief Grant

4.13 The emergency relief grant (ERG) is a grant of an amount not exceeding USD 200,000, designed to assist the BMC in its initial response to the disaster. An ERG is designed to support:

- (a) externally-conducted damage assessments coordinated by the CDEMA – Coordinating Unit (CDEMA-CU): costs to include travel and per diem for consultants, temporary logistical and emergency personnel, and administrative costs;

- (b) provision of emergency relief supplies to the affected communities: temporary improvements in basic utilities, emergency shelter materials, and services to communities, such as water, electricity and sanitation; and
- (c) transportation costs: transport of emergency relief supplies and humanitarian assistance to the affected BMC and distribution in country; fuel for aerial and marine surveys associated with impact assessment.

4.14 Appendix 3 lists the items that may be covered by an ERG. Only in exceptional circumstances should CDB's resources be used to purchase humanitarian assistance for individuals.

4.15 There are three processes through which the CDB may disburse an ERG:

- (a) directly to the affected BMC. In this case the ERG may cover items listed in Paragraph 4.13 (b) and (c);
- (b) directly to CDERA-CU. In this case the ERG may cover items listed in Paragraph 4.13 (a), (b) and (c); and
- (c) directly to an International Disaster Relief Organization (IDRO). In this case the ERG may be used for any disaster relief activity including humanitarian assistance.

4.16 A BMC with a well-developed DRM institutional framework (as determined by CDB), desirous of receiving an ERG directly from CDB, should make a request in writing to the President of CDB within one month of the disaster if it is a rapid-onset event such as a hurricane. For slow-onset events such as repeated floods or drought, the request should be made as soon as the affected BMC makes their own 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 ODM, an itemization of the support required (see Appendix 3), and a budget. In this case the ERG may be used for emergency relief supplies and transportation (see paragraph 4.13 (b) and (c)).

4.17. Alternatively, a BMC desirous of receiving an ERG, may make a written request to CDEMA-CU within one month of the disaster if it is a rapid-onset event such as a hurricane. For slow-onset events such as repeated floods or drought, the request should be made as soon as the affected BMC makes their own determination that significant economic, social and environmental damage has occurred. The request should be accompanied by an initial assessment of the impact as provided by the national ODM, an itemization of the support required (see Appendix 3) and a budget. In this case the ERG may be used for externally conducted damage assessments, emergency relief supplies and transportation costs (see paragraph 4.13 (a), (b) and (c)). CDEMA-CU will transmit the request to CDB for approval. In order for an affected BMC to obtain an ERG through the CDEMA-CU, the BMC will have to make an official disaster declaration or declare a disaster area.

4.18 If a country is so overwhelmed by a disaster or a series of disasters, then at the request of the affected BMC or based on the President's assessment of the situation, an ERG may be provided to a reputable international disaster relief organization (IDRO), such as the International Federation of the Red Cross and Red Crescent Societies. In such extreme situations, the ERG may be used for any disaster relief activity including humanitarian assistance.

4.19. On receipt of the request, either from the BMC or CDEMA-CU, or following discussion with an IDRO as described in paragraph 4.18, CDB will process the request in as short a time as possible and prepare a brief paper recommending approval of the ERG by the President. The President will be authorised to approve an ERG for an amount not exceeding USD 200,000. Once the paper is approved by

the President, the Bank will send a written response to the BMC, CDEMA-CU or IDRO. It should be noted that an ERG for a BMC affected by a disaster event may only be issued to one entity: the government of the affected BMC, CDEMA-CU, or the IDRO. The ERG cannot exceed USD200,000 per disaster event, 50% of the amount requested will be paid on approval of the request and the remaining amount will be paid on receipt of a concise report and a certified financial statement from the government of the affected BMC, CDEMA-CU or the IDRO. (The financial statement must be certified by the senior accounting officer in the agency contracted to disburse the ERG).

4.20. Only expenditures invoiced within three months of the date of the disaster (for a rapid-onset event), or within three 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 proceeds of the ERG. However, for certain slow-onset events, such as a volcanic crisis, this time requirement may be waived to accommodate a prolonged crisis phase. In the case of an IDRO, this time limit may be extended but should under no circumstances exceed 15 months. Funds not claimed within 24 months of the date of the disaster or the date of the request to CDB will be cancelled.

4.21 CDB's Guidelines for Procurement (2006) apply to all goods, works and related services financed by CDB

<http://www.caribank.org/titanweb/cdb/webcms.nsf/AllDoc/1EFD7225C1EBB5720425742C004F8509?OpenDocument>

The applicable methods of procurement for ERGs under the Guidelines for Procurement are Shopping [paragraph 3.06] and Direct Contracting [paragraphs 3.07(g) and 3.08]. The maximum contract value for each method is USD100,000 and there is no restriction of country eligibility. A Procurement Plan is not required. The following sections and paragraphs of the Guidelines for Procurement do not apply:

Section 1: paragraph 1.09; the last sentence of paragraph 1.12; paragraph 1.17.
Section 2: all paragraphs.
Section 3: paragraphs 3.01 to 3.05; paragraph 3.07(a), paragraph 3.07(b); paragraph 3.07(c); paragraph 3.07(d); paragraph 3.07(e); paragraph 3.07(f); paragraphs 3.09 to 3.17.

4.22 Due to the short time frame associated with ERGs, and their very nature, that is to provide immediate assistance to the affected country, risk reduction measures have a lower priority than for other financial instruments such as the RRL. Notwithstanding the above, the provision of an ERG should not increase a country's risk or vulnerability to natural hazards.

Immediate Response Loan

4.23 The Immediate Response Loan (IRL) is an emergency loan of an amount not exceeding USD750,000, provided at a concessionary rate to the Government to meet its expenses for the clearing and cleaning of affected areas and for emergency restoration of critical infrastructure and essential public services. These activities could include the repair, replacement or the installation of measures to protect and restore vital economic infrastructure necessary for the resumption of social and economic activities. Appendix 4 lists the type of works that could be covered by an IRL.

4.24 A BMC desirous of receiving an IRL should make 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 repeated floods or drought, the request should be made as soon as the affected BMC makes their own 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 ODM, a proposal for the intended use of the loan, and a budget.

4.25 On receipt of the request from the BMC, CDB will process the request in as short a time as possible. Based in most cases on a desk exercise, and using available documentation of the disaster, its impact and estimates of damage provided by the BMC, as well as documents from organizations, e.g. United Nations Economic Commission for Latin America and the Caribbean, CDB will prepare a brief paper recommending approval of the IRL by the President.

4.26 The President will be authorised to approve an IRL of an amount not exceeding USD750,000 at a concessionary rate to the government.

4.27 CDB will make disbursements to the government on the basis of a certificate from a consultant, engaged by CDB after consultation with the government, showing that the goods and/or services were utilised for the approved operations.

4.28 Since IRLs are usually retroactive, the affected country is expected to maintain detailed documentation and photographic records so as to assist in the verification process.

4.29 Only expenditures invoiced within six months of the date of the disaster (for a rapid-onset event), or within six 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 disaster or the date of the request to CDB will be cancelled.

4.30 CDB's Guidelines for Procurement (2006) apply to all goods, works and related services financed by CDB.

<http://www.caribank.org/titanweb/cdb/webcms.nsf/AllDoc/1EFD7225C1EBB5720425742C004F8509?OpenDocument>

The applicable methods of procurement for IRLs under the Guidelines for Procurement are Shopping [paragraph 3.06], Direct Contracting [paragraphs 3.07(g) and 3.08] and Force Account [paragraph 3.09]. The maximum contract values are:

- (a) USD500,000 for Shopping;
- (b) USD500,000 for Direct Contracting; and
- (c) USD750,000 for Force Account.

A Procurement Plan is not required and there is no restriction of country eligibility in respect of contracts for the provision of goods, works or related services when the estimated contract prices are less than or equal to the values indicated at 8 (a) and 8 (b) above.

The following sections and paragraphs of the Guidelines for Procurement do not apply:

- Section 1: paragraph 1.09; the last sentence of paragraph 1.12; paragraph 1.17.
- Section 2: all paragraphs.
- Section 3: paragraphs 3.01 to 3.05; paragraph 3.07(a), paragraph 3.07(b); paragraph 3.07(c); paragraph 3.07(d); paragraph 3.07(e); paragraph 3.07(f); paragraphs 3.10 to 3.17.

4.31 For slow-onset and long duration events such as prolonged volcanic activity or drought, the proceeds of an IRL could be used for an operation such as the relocation of the affected population, provided those relocated are no worse off after the relocation.

4.32 As with ERGs, IRLs are by their very nature executed in a short timeframe and provide immediate assistance to the affected country, therefore risk reduction measures have a lower priority than

for other financial instruments such as the RRL. Notwithstanding the above, the provision of an IRL should not increase a country's risk or vulnerability to natural hazards.

Rehabilitation and Reconstruction Loan

4.33 The Rehabilitation and Reconstruction Loan (RRL) is intended to help the government of the affected BMC achieve the objectives of its recovery strategy and specifically to rehabilitate social and economic infrastructure and the restoration of key economic sectors to better than pre-disaster operating levels whilst also building in precautions to reduce vulnerability to future disasters. In the analysis of vulnerability and risk, consideration should be given to both structural and non-structural mitigation measures.

4.34 It is anticipated that BMCs will have developed a generic recovery strategy prior to the disaster event. Following a disaster event, the affected BMC will modify its generic recovery strategy to take into account specific circumstances, especially the following factors:

- (a) the quickest possible alleviation of human suffering;
- (b) the severity of the impact of the disaster on the economic performance of the country, which may require the Government to modify its priorities and investment programmes, and the need for early re-establishment of economic activity;
- (c) the achievement of the best match between resources required for rehabilitation and available resources, in particular, financial and manpower 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; and
- (f) a commitment on the part of Government to restore normalcy to administrative, regulatory and cost recovery mechanisms at an early date.

4.35 A BMC desirous of receiving a RRL should make a request in writing to the President of CDB within six months of the disaster if it is a rapid-onset event such as a hurricane. For slow-onset events such as repeated floods or drought, the request should be made as soon as the affected BMC makes their own determination that significant economic and social damage has occurred. The request should be accompanied by the recovery strategy, an initial assessment of the impact as provided by the national ODM, an itemization of the intended use of the loan, and a preliminary budget.

4.36 On receipt of the request from the BMC, CDB will undertake due diligence as to the impact of the disaster, engage in discussions with the BMC as to their recovery strategy, and, wherever possible, mobilise a mission to visit the country 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 including the ODM so as to ensure that rehabilitation methods satisfy best mitigation practices, unless a temporary solution is required for economic or humanitarian reasons.

4.37 CDB will endeavour, wherever possible, to prioritise the request for an RRL through its procedures and will avoid the inclusion of burdensome conditions precedent to first disbursement of the loan. Furthermore, the Bank will incorporate loan conditions linked directly to rehabilitation rather than to long-term macro and socio-economic policies. CDB will also provide a retroactive financing facility 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.

4.38 A major rehabilitation project could utilise all uncommitted resources allocated to a country in CDB's lending 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 for the country and, where feasible, allocate additional resources from other sources; and
- (c) examine its total lending programme in order to identify funds which could be reallocated from other countries.

As far as possible, CDB will use funds from its Special Funds Resources to finance some portion of a disaster rehabilitation project. Where CDB proposes to use resources from lines of credit provided by other IFIs, special arrangements for the terms of the loan will be negotiated with those IFIs in accordance with the DiMSOG.

4.39 To allow for speedy processing, the document presented to the CDB's Board of Directors will be a concise Staff Report, and not a standard Appraisal Report, see Appendix 5 for the format. CDB's Environmental and Social Review Procedures, 2008, are not applicable for RRLs, however, once such projects have been identified for financing, environmental and social expertise shall be included in the project design and appraisal team, where appropriate.

4.40 CDB's Guidelines for Procurement (2006) apply to all goods, works and related services financed by CDB.

<http://www.caribank.org/titanweb/cdb/webcms.nsf/AllDoc/1EFD7225C1EBB5720425742C004F8509?OpenDocument>

In the case of an RRL, applicable methods of procurement are described in the following paragraphs. Where CDB proposes to use resources from lines of credit provided by other IFIs special procurement arrangements will be negotiated with those IFIs.

4.41 Goods and works: All methods of procurement described in the Guidelines for Procurement apply to RRLs. The only modifications to the Guidelines for Procurement are in respect of country eligibility. There is no restriction on country eligibility for contracts which do not exceed the amounts indicated in the table below. RRLs require the preparation of a Procurement Plan. The following modifications to the Guidelines for Procurement apply when there is no restriction on country eligibility:

- (a) paragraph 1.06 and 1.09 are deleted: and
- (b) paragraph 2.48(a) is amended to read "*meet the eligibility requirements specified in paragraphs 1.07, and 1.08 of the Guidelines*"

Method of Procurement	Maximum Contract Value (USD)	
	Works	Goods
Shopping	200,000	200,000
Direct Contracting	200,000	200,000
Force Account	200,000	N/A

National Competitive Bidding	3,000,000	200,000
Regional Competitive Bidding	3,000,000	500,000
Limited International Bidding	3,000,000	3,000,000
International Competitive Bidding	3,000,000	3,000,000

4.42 Consultants: Consultancy services will be procured in accordance with CDB's Procedures for the Selection and Engagement of Consultants by Recipients of CDB Financing (<http://www.caribank.org/titanweb/cdb/webcms.nsf/AllDoc/8D9A4DDECA49026F0425742C0050354C?OpenDocument>) with the following modifications for consultancy services contracts which are estimated to not exceed USD 200,000:

- (a) there is no restriction on country eligibility;
- (b) recipients may invite Technical Proposals or Statements of Capability from a list of not less than three (3) or more than six (6) Consultants submitted to and approved by CDB; and
- (c) letters of invitation to shortlisted consultants shall allow a minimum of fourteen (14) calendar days for preparation of Statements of Capability or Proposals.

EVALUATION INDICATORS

Evaluation Indicators for CDB's DiMSOG

Outcome 1: BMCs less vulnerable to natural disasters and climate change impact

Output: Risk reduction measures strengthened and implemented in BMCs

Proactive assistance to BMCs to reduce risk

- (i) Institutional strengthening of DRM and CCA
 - Number of interventions supporting policies, strategies and action plans for DRM and CCA in the BMCs;
 - Number of training and capacity building interventions in DRM and CCA in the BMCs.
- (ii) CDM and CCA knowledge management
 - Number of interventions supporting database development;
 - Number of interventions including public awareness raising in DRM/CCA;
 - Number of DRM/CCA research interventions.
- (iii) Mainstreaming and implementation of DRM/CCA risk reduction measures
 - Number of interventions supporting mainstreaming of DRM/CCA into specific sectors in the BMCs;
 - Number of interventions (preparedness, mitigation and prevention) supporting implementation of risk reduction measures in BMCs.
- (iv) Enhancement of community resilience in DRM and CCA
 - Number of communities where risk reduction measures are implemented;
 - Number of public buildings strengthened;

Post-disaster response to reduce risk

- Number of RRLs with specific risk reduction measures;
- Number of ERGs and IRLs disbursed.

Outcome 2: DRM and CCA effectively addressed by CDB

Output: DRM and CCA mainstreamed within CDB

- Number of technical assistance projects directly addressing DRM/CCA;
- Number of capital projects including specific DRM/CCA measures;
- Number of country strategy papers addressing DRM and CCA issues;
- Number of professional DRM/CCA capacity building interventions;
- Number of ERGs and IRLs where 70% or more of the initial amount requested is actually disbursed.

Outcome 3: Donor interventions in DRM and CCA more effective

Output: CDB's DRM and CCA interventions harmonized with those of other Development Partners.

- Number of regional DRM/CCA donor collaboration groups in which CDB actively participates;
- Number of interventions relating to DRM and CCA implemented in collaboration with other Development Partners.

**PROACTIVE ASSISTANCE FOR DISASTER RISK MANAGEMENT AND/OR
CLIMATE CHANGE ADAPTATION**

**Template for Request for Proactive Assistance in Disaster Risk Reduction and/or
Climate Change Adaptation**

Proposals should be concise, follow the headings listed below and be addressed to the Director of Projects, CDB, P.O. Box 408, Wilkey, St. Michael, Barbados, BB11000.

1. Project Title.
2. CDB Programme Area(s) addressed by the proposed project:
 - (a) Institutional Support for DRM and CCA;
 - (b) Management of CDM Knowledge;
 - (c) Mainstreaming of DRM and CCA;
 - (d) Implementation of risk reduction measures (preparedness, mitigation and prevention); and
 - (e) 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.

Template for Staff Report for Disaster Risk Management and/or Climate Change Adaptation

Staff reports for DRM and CCA 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> <p>Project Background and History Macro-Economic Factors/Considerations Sector Analysis CDB's Contribution/Previous Lending (Sector)</p>	<p>3. The Borrower and Guarantor/ Executing Agency (1 page)</p> <p>Legal Status/Capacity/General Powers and Duties Fiscal Performance</p>
<p>2. The Project (5-7 pages)</p> <p>Objectives/Rationale Location and Site Design/Alternatives/Technology/Least Cost Analysis Project Description/Scope Capital Cost and Project Financing/Commitments Implementation Plan Procurement Disbursement Operation/Production/Process Description Project Management Project Risk Environment and Social Impact Analysis Monitoring Indicators</p>	<p>4. Justification and Benefits (1 page)</p> <p>5. Terms and Conditions (2 pages)</p> <p>Loan Amount - CDB Financing Repayment Terms Conditions Reports and Records</p>

EMERGENCY RELIEF GRANT

List of Items for Emergency Relief Grants

1. Externally-conducted Damage Assessments
<p>Where a country has requested an ERG through the CDEMA-CU and has included an externally-conducted damage assessment in the request, then funds from the ERG may be used for the following:</p> <ul style="list-style-type: none"> (a) costs associated with the use of Consultants to undertake a damage assessment associated with the particular disaster event, these may include travel and per diem; (b) travel and per diem for temporary administrative and logistical personnel to augment CDEMA's staff resources in the affected country during the emergency response phase, (the ERG is <u>not</u> to be used for CDEMA staff); and (c) administrative costs incurred by CDEMA-CU associated with coordination of the ERG and the externally-conducted damage assessment up to a maximum of USD2,000.
2. Emergency Relief Supplies
<p>The ERG may be used for temporary improvements in basic utilities and emergency shelter, and services to communities, such as water, electricity and sanitation. This would include but not be limited to items for vector control, safe drinking water supplies, temporary storage receptacles and sanitation systems, electricity supply, and emergency shelter. These items may be purchased in or outside the affected country. The following is a list of the approved items:</p> <ul style="list-style-type: none"> (a) generators; (b) water pumps, emergency water holding devices such as bladders, plastic water holding devices; (c) emergency water purification systems; (d) water filters, bottled water; (e) chlorination equipment and supplies; (f) temporary sanitary disposal systems; (g) vector control equipment and supplies; (h) roofing materials for emergency shelters and community buildings; and (i) temporary shelter, e.g. tents, tarpaulins.
3. Transportation Costs
<p>The ERG may be used to fund the following transportation costs:</p> <ul style="list-style-type: none"> (a) external transportation of humanitarian supplies from an outside country to the affected BMC and their distribution in country; (b) external and internal transportation of emergency relief supplies; and (c) fuel for aerial and marine surveys associated with impact assessments.
4. Humanitarian Supplies
<p>Other items such as cots, blankets and food supplies for direct humanitarian assistance will only be considered under very special circumstances.</p>
5. Other Costs
<p>The Grant should <u>not</u> be used to reimburse governments for provision of their own services or items supplied by them or their quasi-statutory organizations.</p>

IMMEDIATE RESPONSE LOAN

List of Works for Inclusion in Immediate Response Loans

The IRL is intended to help Government meet its expenses for the clearing and cleaning of affected areas and for emergency restoration of essential public services. Furthermore, activities could include the repair, replacement or the installation of measures to protect and restore vital economic infrastructure necessary for the resumption of social and economic activities.

Works could include:

- repair of roads, bridges, culverts, drains and associated furniture;
- removal of landslips or lava flows;
- installation of slope stabilisation measures;
- construction or repair of sea defences;
- construction of temporary bridges, causeways, or fords;
- reinstatement of water supply; and
- repairs to police, fire, medical and other emergency response facilities and/or equipment.

REHABILITATION AND RECONSTRUCTION LOAN

Template for Staff Report for Disaster Risk Management

Staff reports for DRM and CCA 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> <p>Project Background and History Macro-Economic Factors/Considerations Sector Analysis CDB's Contribution/Previous Lending (Sector)</p> <p>2. The Project (5-7 pages)</p> <p>Objectives/Rationale Location and Site Design/Alternatives/Technology/Least Cost Analysis Project Description/Scope Capital Cost and Project Financing/Commitments Implementation Plan Procurement Disbursement Operation/Production/Process Description Project Management Project Risk Environment and Social Impact Analysis Monitoring Indicators</p>	<p>3. The Borrower and Guarantor/ Executing Agency (1 page)</p> <p>Legal Status/Capacity/General Powers and Duties Fiscal Performance</p> <p>4. Justification and Benefits (1 page)</p> <p>5. Terms and Conditions (2 pages)</p> <p>Loan Amount - CDB Financing Repayment Terms Conditions Reports and Records</p>
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