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**CARIBBEAN DEVELOPMENT BANK**



**EVALUATION OF  
THE CARIBBEAN DEVELOPMENT BANK'S  
2009 DISASTER MANAGEMENT STRATEGY AND OPERATIONAL GUIDELINES**

**VOLUME 1**

**FINAL REPORT  
WITH MANAGEMENT RESPONSE**

**AND**

**VOLUME 2 - ANNEXES**

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**OFFICE OF INDEPENDENT EVALUATION  
DECEMBER 2018**

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**VOLUME 1**

**MANAGEMENT REPOSE**

## **MANAGEMENT RESPONSE**

Management welcomes the evaluation and agrees broadly with the recommendations of the report. At the same time, Management would like to note that the analysis which lead to the recommendations is not always clear and therefore Management has in some cases chosen to add its perspective to the recommendations presented in the report.

## MANAGEMENT RESPONSE

### EVALUATION OF: THE CARIBBEAN DEVELOPMENT BANK'S 2009 DISASTER MANAGEMENT STRATEGY AND OPERATIONAL GUIDELINES

Recommendations	Management Comments / Responses	Commitments / Actions	Responsibility Centre	Target Completion Date (Y/M/D)
<b><i>Recommendations on DRM-related Strategy and Programming</i></b>				
<p><i>Recommendation 1:</i> A revised DiMSOG should take account of heightened regional experience and awareness of disasters and of the scarcity of external funding to help address these.</p> <p>It should contain an explicit strategy for the Bank's support to proactive approaches to disaster risk management (DRM) at national and regional levels, together with a coherent and actionable approach to funding this strategy.</p>	<p>Management has noted the recommendation and the revised DiMSOG will examine lessons of experience from the DRM work programme at both national and regional levels.</p> <p>Management notes the recommendation but believes the evaluation could have presented a fuller reasoning of ongoing efforts and operations to strengthen its proactive work on supporting disaster risk reduction (DRR) and climate resilience in its work programme.</p>	<p>The revised DiMSOG will be used to leverage past experience and lessons already learned to inform and strengthen the Bank's approach to building resilience to natural hazards and climate variability and change.</p>	PROJECTS /ESU	July 2019
<p><i>Recommendation 2:</i> In order to promote proactive Borrowing Member Countries (BMC) approaches to DRM under a revised DiMSOG, CDB should strengthen its efforts to obtain concessional financing for this purpose.</p>	<p>This has been a focus for Caribbean Development Bank (CDB) and since 1994, it has provided a "set aside" from its Special Development Fund for DRM including emergency response work programme. With the approval of its Climate Resilience Strategy (CRS) in 2012, the Bank has stepped up its efforts in this area and over the last five years established specific grant and loan funds for DRR and climate change (CC):</p> <p><b>Grants</b></p> <ul style="list-style-type: none"> <li>• ACP-EU Natural Disaster Risk Management Programme USD12.5 mn</li> <li>• Community Disaster Risk Reduction Fund USD13 mn</li> <li>• TA CALC 4.00 mn Euros</li> </ul>	<p>The Bank is committed to mobilising concessionary resources and or access to these funds for its BMCs. This a pillar of the updated Climate Resilience Strategy 2019-2024 and a strategic objective of the new Corporate Strategy for the Bank 2019-2024.</p>	Corporate Strategy Division (CSD)/ ESU	On-going

Recommendations	Management Comments / Responses	Commitments / Actions	Responsibility Centre	Target Completion Date (Y/M/D)
	<p><b>Concessional Loans</b></p> <ul style="list-style-type: none"> <li>• Climate Action Line of Credit USD 65.00 mn</li> <li>• Climate Action Line of Credit II USD134.00 mn</li> <li>• Agence Française de Développement USD30.00mn</li> </ul> <p>In 2016 it received accredited entity status from the Green Climate Fund for Category “A” projects and projects up to USD50.00 mn. Regional Implementing Entity status For the Adaptation Fund was also received in 2016. The AF provides grant financing for projects up to USD\$10.00m.</p> <p>A more detailed analysis of the current context of financing in this thematic area for BMCs, taking into consideration their capacities, constraints, the work of other development partners and an examination of potential approaches and or new instruments based on successes elsewhere would have enhanced the usefulness of the recommendation.</p>			
<p><i>Recommendation 3:</i> CDB should ensure that both the revised DiMSOG and the new CRS promote approaches to maximizing benefits that are common to climate resilience and DRM activities.</p>	<p>In principle management agrees that approaches to maximizing benefits common to both climate resilience and DRM activities should continue to be highlighted in the revised DiMSOG and the CRS</p>	<p>The Bank commits to reviewing and assessing opportunities for co-benefits in the revised DiMSOG and Climate Resilience Strategies and generally in the thematic work programme of this area.</p>	<p>PROJECTS/ESU</p>	<p>July 2019</p>
<b>Recommendations on CDB DRM-related instruments</b>				
<p><i>Recommendation 4:</i> ERGs should be simplified through a revised list of eligible items, a wider range of potential implementing agencies and stronger participation of National Disaster Offices (NDOs) in administering funds at country level.</p>	<p>Management concurs that a review of the eligible items for funding under the ERG should be undertaken in revision of DiMSOG.</p> <p>Management would like to draw attention to the fact that the right balance has to be achieved to ensure accountability and transparent use of</p>	<p>Management remains committed to ensuring accountability and transparent use of scarce development resources while ensuring efficiency and country ownership, and effectiveness in the delivery of emergency response</p>	<p>PROJECTS/ESU</p>	<p>July 2019</p>

Recommendations	Management Comments / Responses	Commitments / Actions	Responsibility Centre	Target Completion Date (Y/M/D)
	<p>donor resources. In-keeping with DiMSOG, BMCs have over the last five years been choosing to execute ERGs through their NDOs.</p> <p>Caribbean Disaster Emergency Management Agency (CDEMA) and staff of the NDOs have been trained at least bi-annually in the use of the DiMSOG instruments, including, the ERG. In 2017 the Bank provided technical assistance to CDEMA to strengthen its operational policies for procurement and logistics coordination that will also directly benefit members. Further, with support to BMCs (CDB/World Bank) to strengthen national procurement country systems it is expected that BMC NDO capacity for fiduciary due diligence, transparency and accountability will be improved.</p>	<p>support to BMCs in DiMSOG revision.</p>		
<p><i>Recommendation 5:</i> The limit for Immediate Response Loan (IRL) should be raised<sup>1</sup> to allow for a greater scope of immediate response work to be completed, while any potential Rehabilitation and Reconstruction Loan (RRL) or other instrument is under negotiation. The range of items eligible for funding from IRLs should be expanded to include some immediate social needs, including psycho-social support and temporary repairs to make houses habitable.</p>	<p>In principle Management agrees to review the need to raise the cap of the IRL from the current USD\$0.75. However, fuller discussion of the analysis which led to the recommendation would have given greater clarity. For example, the poor implementation rates of IRL may have more to do with the existence of multiple donor partners and other efforts taking place in parallel than the quantum of resources.</p> <p>In less formal discussions with BMCs, many have stated priorities for financing immediate response actions such as: “on the ground technical management support” and “specialist” technical advisory services instead of or in addition to physical works for cleaning and clearing.</p> <p>In principle the Management agrees that provision for psycho-social support to meet post disaster needs of the affected population is an</p>	<p>To review/consider the expansion of the IRL limit and an expansion in eligible goods and or services.</p> <p>To review approaches suitable for supporting inclusion of a mechanism to include psycho-social support.</p>	<p>PROJECTS</p>	<p>July 2019</p>

<sup>1</sup> A limit of \$1.5 million (mn) was suggested as reasonable by some stakeholders, but has no “objective” basis. This revision should be specified on the result of discussions among CDB experts and BMC counterparts.

Recommendations	Management Comments / Responses	Commitments / Actions	Responsibility Centre	Target Completion Date (Y/M/D)
	<p>important element of post disaster response. The revision of DiMSOG will consider the most suitable approaches for providing and delivering such support including the IRL instrument.</p> <p>Housing rehabilitation assistance is undertaken by other highly qualified development partners and national level agencies under the national disaster management mechanism. The Bank does not deem it necessary to duplicate such activities.</p>			
<p><i>Recommendation 6:</i> In its negotiations with BMCs for RRLs, CDB should emphasise to Ministries of Finance the importance of engaging with a broad range of partners, including the NDOs and Ministries dealing with poverty, equity and gender. As far as possible, CDB should influence countries to incorporate comprehensive DRM and community-based approaches into multi-faceted RRL programmes.</p>	<p>Further, The Bank's Operational Policy requires that for the preparation of all project appraisals, including RRLs, an appraisal team travels to the beneficiary country with a multi-disciplinary team of Bank staff to consult and appraise the project. The core team typically includes; Engineer, Financial Analyst, Social and or Gender Analyst, Environmental Specialist (covers DRR and CC), and Legal Counsel. The appraisal team consults with key public sector institutions as well as the; private sector the affected population and relevant NGOs and CBOs. Key public sector institutions include; Ministry of Finance (CDB's official channel) the relevant sector ministry, executing agency and other technical agencies and institutions based on the scope of the project.</p> <p>The Environmental and Social Specialists are specifically charged with responsibility for ensuring environment including DRR and CC, Social and Gender considerations are integrated and reflected in project design.</p> <p>The recommendation does not suggest that the programming context of the Bank is sufficiently well understood.</p>	<p>The Bank will continue its standard multi-sector stakeholder engagement in country when preparing appraisal reports for all projects inclusive of RRLs.</p>	<p>PROJECTS</p>	<p>On-going</p>

Recommendations	Management Comments / Responses	Commitments / Actions	Responsibility Centre	Target Completion Date (Y/M/D)
<p><i>Recommendation 7:</i> Policy Based Loan (PBLs), including Exogenous Shock PBLs, should be more explicitly incorporated in the portfolio of DiMSOG instruments, as a means of encouraging strengthened national DRM capacity and practices.</p>	<p>Agreed. Management recognises the importance of the exogenous shock PBL to the Bank's suite of options for intervening after a crisis. Furthermore, it should be noted that countries can access resources via an exogenous shock PBL after a disaster if the country can demonstrate that it had a sound macro fiscal framework in place before the shock. The Bank might also want to encourage countries to put in place ex-ante fiscal resilient measures such as saving funds and adequate Caribbean Catastrophe Risk Insurance Facility-SPC coverage as additional incentives for BMCs to build in prior resilience and have access to PBL resources in the wake of a shock.</p>	<p>The Bank will work with BMCs to improve awareness of the exogenous shock PBL product and to educate key person in Ministry Finance about how the product works. Initiate policy dialogue with Ministries of Finance and Ministries that are responsible for planning and the environment to encourage ex-ante macro-fiscal resilience.</p>	<p>ECONOMICS DEPARTMENT</p>	<p>On-going</p>
<b><i>Recommendations on CDB Processes</i></b>				
<p><i>Recommendation 8:</i> CDB should strengthen its portfolio tracking and results management systems for DiMSOG, to enable better monitoring of progress towards intended outcomes.</p>	<p>Management agrees with this recommendation and will ensure that in the revised DiMSOG that there will be a more credible Results Management Framework and will engage the CSD in the preparation of same.</p>	<p>To design and implement an improved Results Management Framework and Monitoring and Evaluation programme for the revised DiMSOG.</p>	<p>ESU/CSD</p>	<p>July 2019</p>
<p><i>Recommendation 9:</i> Country Strategy Papers (CSP) should outline potential CDB approaches to support raising the long-term national capacity to prepare for disasters, to reduce their effects and to respond to them more effectively at all levels. Where appropriate and requested by countries, this support should be coordinated with that of CDEMA, which is mandated to help strengthen countries in these areas.</p>	<p>Agreed. All CSPs missions and documents should outline CDB support for disaster preparedness and resilience building. Working with other regional entities like CDEMA should be encouraged.</p>	<p>To have discussions during the CSP mission with BMC officials about CDB's support for disaster preparedness and our close interaction with agencies like CDEMA.</p>	<p>ECONOMICS/ESU</p>	

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**FINAL REPORT**

## LIST OF ACRONYMS

BMCs	Borrowing Member Countries
CCA	Climate Change Adaptation
CCR	Climate Change and Resilience
CDB	Caribbean Development Bank
CDEMA (CU)	Caribbean Disaster Emergency Management Agency (Coordinating Unit)
CDM	Comprehensive Disaster Management
CDRM	Comprehensive Disaster Risk Management
CDRRF	Community Disaster Risk Resilience Fund
CPA	Country Poverty Assessment
CRS	Climate Resilience Strategy
CSP	Country Strategy Paper
CUBIC	Caribbean Uniform Building Code
DAC	Development Assistance Committee of the OECD
DiMSOG	Disaster Management Strategy and Operational Guidelines
DMO	Disaster Management Office (See also NDO)
DRM	Disaster Risk Management
DRR	Disaster Risk Reduction
ECG	Evaluation Cooperation Group (of Multilateral Development Bank)
EE	Energy Efficiency
EIB	European Investment Bank
EID	Economic Infrastructure Division
ESPBL	Exogenous Shock Policy Based Loan
ERG	Emergency Relief Grant
ESU	Environmental Sustainability Unit
GCF	Green Climate Fund
GDP	Gross Domestic Product
GEF	Global Environment Facility
IFI	International Finance Institution
IPCC	International Panel on Climate Change
IRL	Immediate Response Loan
KMA	Kingston Metropolitan Area
MDB	Multilateral Development Bank
NDMSOG	Natural Disaster Management Strategy and Operational Guidelines
NDO	National Disaster Office
OCR	Ordinary Capital Resources (of CDB)
OECD	Organisation for Economic Cooperation and Development
OECS	Organisation of Eastern Caribbean States
OIE	Office of Independent Evaluation (of CDB)
PBL	Policy Based Loan
PC	Project Coordinator
PCR	Project Completion Report
PCVR	Project Completion Verification Review
RE	Renewable Energy
RRL	Rehabilitation and Reconstruction Loan
SDF	Special Development Fund
SEF	Sustainable Energy Facility
TOC	Theory of Change
UNEG	United Nations Evaluation Group
USAID	United States Agency for International Development

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## **ACKNOWLEDGEMENTS**

This evaluation of the Disaster Management Strategy and Operational Guidelines of the Caribbean Development Bank (CDB), from 2009 until 2018, was commissioned by the Office of Independent Evaluation (OIE). It was undertaken by Dr. David Todd and Ms. Hazel Todd of International Development, Environment and Disasters Incorporated (Barbados). The evaluation was carried out under the guidance of Mr. James Melanson, Head of OIE, supported by Ms. Kaia Ambrose and Mrs. Denise Padmore.

OIE thanks the numerous CDB staff who shared their time and experience with the evaluation team, as well as government and non-government stakeholders in BMCs. In particular, the governments of St. Lucia and the British Virgin Islands made exceptional arrangements to host the team for in-depth country investigations. National Disaster Management Offices and CDEMA also provided valuable input.

An Advisory Committee helped orient and provide feedback to the evaluation. The Committee included Ms. Cheryl Dickson and Mr. Paul Saunders of CDB's Environmental Sustainability Unit; Mr. Ronald Jackson, Executive Director and Ms. Andria Grosvenor, Technical Manager, both of the Caribbean Disaster Management Agency; Mr. Juha Uitto, Director of the Independent Evaluation Office at the Global Environment Facility; Mr. Joseph Mutunga of the Independent Evaluation Unit of the Green Climate Fund; Mr. Stephen O'Malley, Resident Coordinator and Ms. Danielle Evanson, Programme Manager, Climate Change and Disaster Risk Reduction, both of UNDP. Advisory Group comments on the draft report proved very valuable and have, where appropriate, been incorporated into the final version. OIE is grateful for their contribution.

## EXECUTIVE SUMMARY

### **1. Purpose and methodology of the evaluation**

The evaluation primarily covers the period from 2009 to the end of 2017. Its purpose is to:

- a) gather evidence and lessons (based on successes, major issues and challenges) that will inform a new iteration of the Disaster Management Strategy and Operational Guidelines (DiMSOG);
- b) understand the relevance and effectiveness of DiMSOG; and
- c) identify the Caribbean Development Bank's (CDB) comparative advantage regarding Disaster Risk Management (DRM) in the region and the best role for it to play given CDB's focus, capacity and lending instruments.

Synergies between the Climate Resilience Strategy (CRS) and DiMSOG are also to be assessed under the evaluation category of relevance.

The evaluation used a mixed methods approach, drawing on both qualitative and quantitative data from primary and secondary sources and conforms with the requirements of the Terms of Reference<sup>2</sup>. Data of different types and sources were triangulated to assess consistency and/or to analyse why differences appear between different data sets. The methodology used and its limitations are presented in Annex 3 of this report, and have been subject to external peer review.

### **2. Development of CDB's approach to Disaster Risk Management**

According to DiMSOG<sup>3</sup>: "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". CDB Borrowing Members have limited human and financial resources and many competing demands for their use, requiring prioritization and choices about what can be pursued at any one time. This is therefore an area in which CDB assistance can make an important difference to its Borrowing Member Countries (BMCs).

Accordingly, in 1998, CDB implemented a Natural Disaster Management Strategy and Operational Guidelines (NDMSOG). In 2009, DiMSOG replaced NDMSOG. Oversight of DiMSOG implementation is the responsibility of the Environmental Sustainability Unit (ESU), which also oversees the CRS and the Environment and Social Review Procedures. DiMSOG underpins work of the wider operations areas, notably Projects and Economics Departments and underlies approaches to major loans, including those of the Economic Infrastructure Division. CDB's Strategic Plan 2015-19 makes a number of references to DRM.

DiMSOG is intended to support and inform the following areas of intervention:

- a) Proactive assistance to BMCs to reduce risk through institutional strengthening, knowledge management, risk reduction measures and enhanced community resilience.
- b) Post disaster response.

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<sup>2</sup> See Annex 3 of this report.

<sup>3</sup> Paragraph 2.10.

- c) Mainstreaming DRM into CDB's grants and loans.
- d) Effective collaboration by CDB with regional and national DRM partners.

The DiMSOG document distinguishes between proactive assistance and post-disaster response. While the former category does not have specific funding instruments under DiMSOG, post-disaster response does. It is delivered primarily through Emergency Relief Grants (ERGs), Immediate Response Loans (IRLs) and Rehabilitation/Reconstruction Loans (RRLs). Resource allocations for DiMSOG activities come from Special Funds Resources (SFR) (available on a first come first serve basis for ERGs and IRLs); and from Ordinary Capital Resources (OCR) and SFR for RRLs and proactive DRM interventions, within BMC borrowing abilities and limits.

CDB approved a Climate Resilience Strategy (CRS)<sup>4</sup> in 2012, which extensively cross-references the Bank's work in DRR and signals its intention to scale up its innovative approaches in this area. It notes that many of the disasters in the Region are weather-related events<sup>5</sup>, which are affected by Climate Change and may therefore be mitigated through Climate Resilience approaches. However, the Logical Framework for the CRS makes no reference to specific objectives or outcomes to be addressed collaboratively between climate resilience and DRR streams of work.

### 3. Main Messages of the Evaluation

- 3.1 In view of the potential increase in regularity and magnitude, particularly of weather-related events, *CDB needs to explore what measures it can take to raise greater DRM specific funding. Concessional funding is particularly needed, since countries are still reluctant to borrow for proactive measures promoting resilience and mitigation.*
- 3.2 *CDB needs to develop a clear narrative and approach to the relationship between Climate Resilience and DRM, including their overlapping elements. This could not only bring greater conceptual clarity to these related strategies, but also open up improved concessional funding opportunities for DRM.*
- 3.3 *DRM activities are among those which seem particularly likely to benefit from flexibility to increase staff availability to match rapid increases in work load. This is because disaster-related funding, which is often large and unexpected, may substantially alter the balance of work among BMCs and associated assistance and supervision needs.*
- 3.4 *Although broadly relevant to Disaster Response, current DiMSOG instruments as implemented have been overly-focused on infrastructure and have offered little support to poverty-focused socio-economic recovery and rebuilding.*
- 3.5 *The three CDB instruments specified in the DiMSOG are not sufficient to promote or support a proactive approach to Disaster Management at Country or Regional level.*
- 3.6 *With regard to ERGs: since immediate post disaster conditions and priorities vary between countries and specific emergencies, administrative flexibility should be a critical consideration. This might include broadening the scope of items eligible for support and of potential institutional partners for BMCs.*

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<sup>4</sup> *Climate Resilience Strategy*, 2012

<sup>5</sup> Increasingly referred to as "hydro-meteorological events" in literature.

- 3.7 *In the light of the experience of some IRLs as prone to delays and complications, the instrument needs to be revised to allow inclusion of a broader range of activities, which meet immediate needs and can be quickly implemented.*
- 3.8 *RRLs have proved a viable and important instrument. However, they are often narrowly focused on infrastructure. The emergence of multi-sector RRLs is an important development for the Bank's contribution to DRM.*
- 3.9 *A revised DiMSOG should refocus its strategic intention onto proactive DRM, while retaining sufficient capacity for Disaster Response.*
- 3.10 *CDB has a comparative advantage over other agencies active in the Region, even when they may bring more funds to address specific issues. Its strong stakeholder relationships, and knowledge of context, give it the opportunity to consistently exert influence to persuade BMCs to take proactive measures to raise their own resilience against the effects of disasters.*
- 3.11 *PBLs, with the policy discussions and prior actions that accompany them, are seen as a valuable complement to the existing DiMSOG instruments, since they can offer clear incentives for a proactive approach to DRM.*
- 3.12 *While recognizing the primary interlocutor role played by Ministries of Finance, CDB should encourage BMCs to ensure that programming discussions include all key DRM players, particularly those who can engage with its mandated concerns with regard to poverty, vulnerability and gender.*
- 3.13 *Different levels of performance among countries with regard to settlement planning and building standards present an opportunity for CDB to promote sharing of relatively successful approaches across the Region. This is timely, in view of heightened BMC awareness of these issues in the light of the extreme events of 2017. It may also prove a fruitful area for support in Policy-Based Loans (PBLs) and multi-sector RRLs.*
- 3.14 *There is scope for improvement in portfolio tracking and reporting, and results management, of DiMSOG investments.*
- 3.15 *CDB needs to review and strengthen the range and quality of its communication approaches, particularly with regard to DRM, with the aim of ensuring greater coverage and understanding.*

#### **4. Recommendations**

##### **4.1 Recommendations on DRM-related Strategy and Programming**

**Recommendation 1: A revised DiMSOG should take account of heightened regional experience and awareness of disasters and of the scarcity of external funding to help address these. It should contain an explicit strategy for the Bank's support to proactive approaches to DRM at national and regional levels, together with a coherent and actionable approach to funding this strategy.**

The revised DiMSOG should emphasize CDB's range of financial support packages to enable countries to take maximum proactive responsibility for their own DRM. This is necessary in view of the predicted increased frequency and magnitude of climate sensitive hazard events and relatively low level of donor

support for the region<sup>6</sup>. Key aspects of national responsibility could include commencement of or contribution towards national disaster contingency funds, appropriate CCRIF coverage, ensuring that NDOs have the resources and capacity they need, and supporting the development of community level resilience. These elements are all in keeping with the Regional Comprehensive Disaster Management Strategy. In this regard, national governments should also ensure that they meet their responsibilities towards the regional bodies, which assist in raising national capacity and in disaster response. Actions taken to strengthen national capacities in these areas could all be potential areas of CDB support under DiMSOG and could inform prior action requirements associated with PBLs.

**Recommendation 2: In order to promote pro-active BMC approaches to DRM under a revised DiMSOG, CDB should strengthen its efforts to obtain concessional financing for this purpose.**

Documentary evidence of limited BMC take up of the intended pro-active approaches under DiMSOG, reinforced by stated experiences of country stakeholders and CDB staff, all emphasize that countries are reluctant to borrow money to strengthen their capacity with regard to DRM, including Disaster Risk Reduction. Furthermore, there are grant-funding options, such as the World Bank's GFDRR, which are available to countries for DRR, which are more attractive than CDB's loan funding. Any new concessional funds could also play an important role in reducing possible stress on SDF set-asides for DRM, which have been heavily utilised in response to the major disasters of 2017.

**Recommendation 3: CDB should ensure that both the revised DiMSOG and the new CRS promote approaches to maximizing benefits that are common to climate resilience and DRM activities.**

CDB has an important role in helping BMCs access the increasing range and volume of funding sources for climate resilience and adaptation, many of which are grants or loans at concessional rates. Climate Resilience interventions can often also produce benefits for DRM and vice versa, and CDB should actively seek to maximize such complementarity. An updated CRS can speak to the intended future relationship between CR and DRM. This is in keeping with priorities stated in the Hyogo and Sendai Frameworks for Action, which aim to reduce underlying risk factors relating to climate change and variability, and to promote the integration of risk reduction associated with existing climate variability and future climate change into strategies for the reduction of disaster risk and adaptation to climate change. Approaches which CDB could support include:

- the integration of adaptation into national Disaster Risk Reduction frameworks
- the integration of Disaster Risk Reduction into adaptation strategies
- the development of joint action plans between national institutions responsible for climate change adaptation and disaster resilience
- preparation and adoption of national resilience strategies that integrate climate risk and development concerns.

Promising examples of more integrated approaches noted by this evaluation include the Country Strategy Paper for Saint Vincent and the Grenadines (2014 – 2018) at CSP level and the Haiti Ile a Vache project in support of Building Capacity for Disaster Risk Management and Climate Resilience.

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<sup>6</sup> Although DiMSOG includes a broad range of potential disaster events, it is the recent increase in “hydro-meteorological events,” which places particular emphasis on the need for BMCs to maximize their own preparedness measures.

#### 4.2 Recommendations on CDB DRM-related instruments

**Recommendation 4: ERGs should be simplified through a revised list of eligible items, a wider range of potential implementing agencies and stronger participation of NDOs in administering funds at country level.**

ERGs have a poor record of financial reporting, which has meant that some are complete but cannot be formally closed, others have returned funds to CDB for lack of receipts and some countries have not taken up potential ERG support at all. Accounting for expenditures is said to be the major challenge for this grant instrument, although similar funds provided by other international bodies appear to obtain such reporting with few challenges. To simplify CDB processes, it is proposed that within the list of eligible items, a small amount (e.g., up to \$50,000) should be available for humanitarian items without special approval and that other bodies with demonstrated experience of immediate support activities, such as PAHO, should be added to the existing three implementation options, for participation only when requirements match their specific expertise. Where a BMC chooses to implement the ERG itself, this should be done through its NDO, which should have the training and human resources to undertake this task as one of its routine responsibilities. Where the NDO requests external support, this should draw on the Regional Response Mechanism coordinated by CDEMA.

**Recommendation 5: The limit for IRLs should be raised<sup>7</sup> to allow for a greater scope of immediate response work to be completed, while any potential RRL or other instrument is under negotiation. The range of items eligible for funding from IRLs should be expanded to include some immediate social needs, including psycho-social support and temporary repairs to make houses habitable.**

While some IRLs have been completed as planned, others have carried on well beyond their intended duration. Although financial accountability is intended to be provided by a consultant selected by CDB, this has not always led to satisfactory reporting. The current emphasis within the list of eligible IRL activities on construction seems to have been one factor promoting delays, caused by procurement and financial reconciliation processes. Clean up activities seem to have usually been completed expeditiously, but receipts for this work have not always been forthcoming. In some cases, CDB has allowed an extension, while in others money has been sent back and the IRL has not been completed. At country level, agencies working with communities report considerable psycho-social distress, as well as an inability to undertake basic repairs to make houses habitable before full refurbishment can be undertaken. In anticipation of the approval and administration of the IRL, the relevant country coordinating agency should receive specific training from CDB on the reporting requirements, which should be enforced by the Bank to protect the viability of IRL as a short-term funding instrument.

**Recommendation 6: In its negotiations with BMCs for RRLs, CDB should emphasize to Ministries of Finance the importance of engaging with a broad range of partners, including the National Disaster Office and Ministries dealing with poverty, equity and gender. As far as possible, CDB should influence countries to incorporate comprehensive DRM and community-based approaches into multi-faceted RRL programmes.**

Ultimately, countries determine what they will include in an RRL. Early RRLs had a strong focus on (re)construction of roads, bridges and sea defenses. However, it has emerged over time that disasters have disproportionate effects on the poor, who often live in vulnerable locations and in low quality housing. It is therefore important that, wherever possible, RRLs should address poverty dimensions of disaster reconstruction and resilience; in keeping with CDB's overall poverty mandate in the region. CDB tools,

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<sup>7</sup> A limit of \$1.5m was suggested as reasonable by some stakeholders, although it has no "objective" basis. This also assumes that other instruments such as a rapid Catastrophe Deferred Drawdown Option isn't added to provide immediate liquidity.

such as the Enhanced Poverty Assessment and the Climate Risk Resilience Framework should be used to ensure the poverty focus of DRM activities. In order to adequately prepare the multi-faceted approach, RRL negotiations should include a broader range of national institutions than has often been the case.

**Recommendation 7: PBLs, including Exogenous Shock PBLs, should be more explicitly incorporated in the portfolio of DiMSOG instruments, as a means of encouraging strengthened national DRM capacity and practices.**

The ease of disbursement of PBLs makes them attractive to countries, and the range of potential reforms which may be associated with them should be widely advocated by CDB as a way of encouraging BMCs to adopt proactive approaches to DRM. A suite of DRM good practices should be promoted by CDB, so that countries may choose to implement and have them recognised as prior actions in PBL negotiation processes.

### **4.3 Recommendations on CDB Processes**

**Recommendation 8: CDB should strengthen its portfolio tracking and results management systems for DiMSOG, to enable better monitoring of progress towards intended outcomes.**

Considerable efforts have been made over time to strengthen CDB's overall results based management systems. However, this evaluation could not find relevant data or analysis of the "DiMSOG portfolio" in terms of progress towards outcomes at country level or for activities supported under DiMSOG as a whole. A future DiMSOG should therefore include a realistic and trackable Results Management Framework.

**Recommendation 9: Country Strategy Papers should outline potential CDB approaches to support raising the long-term national capacity to prepare for disasters, to reduce their effects and to respond to them more effectively at all levels. Where appropriate and requested by countries, this support should be coordinated with that of CDEMA, which is mandated to help strengthen countries in these areas. These processes should include implementation and enforcement of measures to enhance the safety of the location of settlements and key national facilities and to require more resilient building codes and standards.**

Although countries often choose areas other than DRM as major components of their CDB country programmes, in keeping with their perceived most pressing development needs, the introduction of eligibility criteria for access to PBLs could raise DRM's profile in future strategies. Processes necessary to raise national capacity should include financial provisions (such as an appropriate level of CCRIF coverage and national contingency funds), improved national coordination of all bodies relevant to disaster management, coherence of donor support, adequately resourced and fully engaged national disaster offices and strengthened community resilience. Within this broad range of potential support areas, CDB should coordinate with other bodies mandated to help build country capacity.

The location of settlements and key facilities (such as hospitals) in areas vulnerable to the effects of weather events and the inadequate quality of buildings to withstand such events are longstanding issues, which BMCs have been reluctant to address. However, recent extreme events have raised awareness among governments, which presents an opportunity for Bank support to move this agenda forward in the region.

## 1. INTRODUCTION TO THE EVALUATION

### **Purpose**

1.01 Details of the purpose, scope and focus of the evaluation are provided in Annex 1. According to the Terms of Reference for the evaluation, its purpose is to:

- a) Gather evidence and lessons (based on successes, major issues and challenges) that will inform a new iteration of DiMSOG.
- b) Understand the relevance and effectiveness of DiMSOG,
- c) Identify CDB's comparative advantage regarding DRM in the region and the best role for it to play given CDB's focus, capacity and lending instruments.

1.02 Synergies between the Climate Resilience Strategy (CRS) and DiMSOG are also to be assessed under the evaluation category of relevance.

1.03 The evaluation primarily covers the period from 2009 to the end of 2017<sup>8</sup>.

### **Methodology and Limitations**

1.04 The evaluation used a mixed methods approach, drawing on both qualitative and quantitative data from primary and secondary sources and conforms with the requirements of the Terms of Reference<sup>9</sup>. Data of different types and sources were triangulated to assess consistency and/or to analyse why differences appear between different data sets. In keeping with its Terms of Reference, the evaluation has made use of the DAC Evaluation Criteria of efficiency, effectiveness, relevance and sustainability. However, as detailed in Annex 8<sup>10</sup>, the DAC criteria were explicitly intended to be applied at the level of projects and programmes. Performance against the DAC criteria for projects and programmes cannot be simply aggregated to provide information about more complex approaches, such as strategies. Use of the criteria in this evaluation has therefore focused at the level of projects and assessment of the performance of the strategy as a whole has drawn on qualitative and quantitative evidence interpreted through its contribution towards progress along change pathways outlined in a Theory of Change.

1.05 A challenge facing the evaluation concerns the small numbers of key stakeholders in all institutions with direct experience relevant to DiMSOG. CDB itself has only around 110 professional staff, within which the cadre regularly dealing with Borrowing Member Countries (BMCs) for activities related to Disaster Risk Management is considerably smaller. Similarly, very few government officers in any BMC have substantial experience of working with CDB on DiMSOG related activities; and outside of government even fewer stakeholders are knowledgeable. This has two important implications for this report. Firstly, care has had to be taken to avoid reporting experiences and opinions in a way which would breach informant confidentiality. Secondly, in presenting emerging perspectives, it is not possible to report on precise proportions of stakeholders holding perspectives or experiences, since the overall numbers involved are so small. This leads to a reliance on qualifiers, which are indicative and matters of degree. For example, "many" refers to a majority of respondents. "Some" and "several" indicate a medium proportion of respondents, but not a clear majority. In dealing with these small numbers of key players, stakeholders also pointed out to the evaluation, that a change in even one key position in CDB or in a BMC government can trigger a change in approach. These aspects mean that the interplay between secondary data from

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<sup>8</sup> Since OIE is conducting a separate evaluation of the Bank's work in Haiti, it was not included in this evaluation.

<sup>9</sup> Details of the methodology are provided in Annex 3.

<sup>10</sup> DAC Criteria for Evaluating Development Assistance

documented reports on progress of DiMSOG-related activities and primary data from stakeholders is particularly important and has been treated with great care.

1.06 The evaluation also faced challenges in terms of the limited CDB project databases and documentation and difficulties in obtaining interviews with a range of national organizations and stakeholders. However, the evaluation team is satisfied, on the basis of triangulation of data from different methods and sources, that its findings and recommendations are fully supported by evidence. The methodology used and its limitations are presented in Annex 3 of this report, and have been subject to external peer review.

## **2. CONTEXT OF AND CDB RESPONSE TO NATURAL HAZARDS AND CLIMATE CHANGE IN THE CARIBBEAN**

### **Recent history of natural hazards in the region**

2.01 Natural hazards are increasing in intensity and frequency in the Caribbean region, posing a major challenge to economic and social progress. CDB Borrowing Members have limited human and financial resources and many competing demands for their use, requiring prioritization and choices about what can be pursued at any one time. This has promoted a tendency for countries to rely on disaster response and recovery, rather than on proactive measures to reduce the potential effects of major events.

2.02 In the Caribbean, eight countries have experienced a disaster event with an economic impact of over 50% of their annual Gross Domestic Product (GDP) since 1980. In small islands the entire country can be impacted, with every inhabitant affected by a storm.<sup>11</sup> Estimates of damages after Hurricane Irma point to about 15% of GDP for Antigua and Barbuda, where more than 90% of the infrastructure in Barbuda has been damaged and most of the electricity and telecom network need to be rehabilitated. In Dominica, the damage assessment is ongoing, but losses are estimated to exceed USD1 billion (bn) or 200% of GDP.

2.03 At the same time, there has been a move among regional and international institutions active in the Caribbean to promote the concept and practice of Comprehensive Disaster Management (CDM). According to the Caribbean Disaster Emergency Management Agency (CDEMA)<sup>12</sup>, “Comprehensive Disaster Management is a paradigm shift from a reactive approach to disaster management, to an anticipatory approach. CDM also involves a shift from focusing on individual hazards to viewing hazard exposure as an ongoing process and aims to reduce vulnerability across all sectors. Some key features of CDM are that it:

- a) recognizes that strengthening preparedness for better response is critical
- b) considers all types of hazards
- c) addresses all phases of the disaster management cycle, i.e. prevention, mitigation, preparedness, response, recovery and rehabilitation
- d) promotes a “culture of safety”
- e) encourages strategic partner alliances
- f) advocates for the empowerment of sector partners to take responsibility for promoting and leading the advancement of CDM in their constituencies.

### **Climate change and resilience**

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<sup>11</sup> *Disasters can be a turning point to build resilience*. Christelle Chapoy. World Bank. 2018

<sup>12</sup> *Regional CDM Strategy and Results Framework*. 2014 – 2024, P7. CDEMA.

2.04 There are few credible estimates of the economic impact of climate change on Caribbean countries<sup>13</sup> in a “no adaptation scenario”. Estimates of quantitative economic impact are difficult, not only because of rapid changes in global climate change projections but also because of the limited climate model projections at suitable spatial scales available for the Caribbean, and the limited inventory of the Region’s environmental resources and assets. Various studies have estimated annual impact at 5-30% of GDP. Even taken at the low end of the range, the impact of climate change on CDB’s BMCs is expected to be devastating to their long-term growth and development.

2.05 The CDB **Climate Resilience Strategy<sup>14</sup> was approved in 2012**. It seeks to develop and operationalise a robust environmental sustainability risk framework that explicitly considers climate resilience in CDB’s operations; and assist BMCs and regional institutions to mobilise financing, and design and implement policies, strategies and investment programmes to address climate resilience and deliver on their sustainable development objectives. CDB will give priority to financing investments in key climate-sensitive sectors identified as priorities by BMCs and which overlap with the Bank’s core areas of competence and experience. These have been identified as water, agriculture, energy, and physical infrastructure. Disaster Risk Reduction is a priority for the Bank and is acknowledged as a critical short-term response to Climate Change Adaptation (CCA). The Bank will continue to provide assistance for post disaster rehabilitation and for mitigation interventions; but will place greater emphasis on identifying/developing innovative risk transfer instruments and initiatives and building community resilience. CDB will support BMCs to design and mainstream climate risk management strategies in regional, national and sectoral policies.

2.06 This is potentially a significant burden for countries that contribute negligible levels of greenhouse gas emissions to the atmosphere. Predictions based on the 2007 report of the International Panel on Climate Change (IPCC) show that the cost from climate related damage to the Caribbean could be as high as USD22 billion annually by 2050 and USD46 billion by 2100<sup>15</sup>. Further, while the regional average is high, there is also considerable variation around this average at the country level. The projected cost of inaction is estimated at 75% of annual GDP or more by 2100 in the Commonwealth of Dominica, Grenada, Haiti, St. Kitts and Nevis, and Turks and Caicos Islands with smaller, but still relatively high levels for a number of the other countries. It is therefore essential that effective proactive approaches to reduce risks and build resilience are urgently promoted and pursued.

### **Institutional Structure of DRM and Climate Resilience in the Region and CDB Partnerships**

2.07 As noted by the Approach Paper for this evaluation<sup>16</sup>, the frameworks relevant to DRR in the Caribbean include the internationally agreed SENDAI Framework for Disaster Risk Reduction 2015 – 2030, and the Regional Comprehensive Disaster Management Strategy and Programming Framework 2014 – 2024. These frameworks outline a broad-based vision of DRR, encompassing governance, risk assessment and early warning, knowledge and education, underlying risk factors in the context of development, and disaster preparedness and response. This vision is also applicable to the future threats presented by climate change related extreme events.

2.08 According to statements on CDB’s website, the Bank aims to conduct its Disaster Risk Management and Climate Change Adaptation interventions in collaboration with the CDM Coordination and Harmonization Council, the Caribbean Community Climate Change Centre, and other regional groups. It will also seek joint interventions with other Multilateral Development Banks and Development Partners. CDB intends to use its comparative advantage, particularly through collaboration with public and private

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<sup>13</sup> *Climate Resilience Strategy*, P1, CDB, 2012

<sup>14</sup> *Climate Resilience Strategy*, 2012-2017. CDB, 2012

<sup>15</sup> *Climate Resilience Strategy* 2012-2017. P1. CDB.2012.

<sup>16</sup> *Approach Paper, Thematic and Sector Evaluation: Disaster Risk Management*. Office of Independent Evaluation, CDB, January 2018.

sector financial entities in the Borrowing Member Countries and on the regional and international stage, to ensure that risk reduction measures are given high priority in the development agenda.

### **Place of DRM in CDB's overall mission**

2.09 CDB's **Strategic Plan 2015-19** makes a number of references to DRM<sup>17</sup> including: "CDB's support for *achieving inclusive and sustainable growth and development* in BMCs will be realised through investments in economic and social infrastructure, education and training, agriculture and rural development, private sector development, water and sanitation, environmental management, climate resilience, Energy Efficiency, Renewable Energy and Disaster Risk Management. Initiatives in these core areas will be identified through sector/thematic policies and country assistance strategies. In this regard, existing sector and thematic policies and strategies will be reviewed and new ones developed as required."

## **3. CDB'S OVERALL DISASTER MANAGEMENT STRATEGY AND FINANCING PORTFOLIO 2009 – 2018**

### **NDMSOG approach and performance**

3.01 In 1998, CDB implemented its Natural Disaster Management Strategy and Operational Guidelines (NDMSOG), under which some 11.37% of the Bank's total lending and technical assistance was expended in the period up to 2008.

3.02 According to the evaluation of this Strategy<sup>18</sup>, it faced a number of challenges. Perhaps the most fundamental was that sustainability was not targeted in most Rehabilitation and Reconstruction Loans (RRLs), making it difficult to achieve effective maintenance, Government ownership and commitment. Limitations were also reported with regard to efficiency, monitoring and reporting. As with Disaster Management Strategy and Operational Guidelines (DiMSOG), NDMSOG at that time focused on Disaster Risk Management assistance through the same three post-disaster mechanisms: Emergency Relief Grants (ERGs), Immediate Response Loans (IRLs) and RRLs. The evaluation reported that the financial flow for reimbursing project expenses from ERGs and IRLs was protracted at the operational level within CDB, the available amounts for ERGs and IRLs were inadequate in comparison to cost increases in the building sector and the scale of needs arising from disasters, and only a limited number of Natural Disaster Management interventions included capacity building or institutional strengthening as a specific focus even though this was intended to be a key component in the NDMSOG. Efficiency issues referred to the constraining loan appraisal phase, the high commitment fees, the constrained accessibility and flexibility of the use of funds especially in regards to the reimbursement of expenditures in ERGs and IRLs (time-consuming and an administrative burden). Finally, monitoring and reporting was weak and limited, both within the Bank and the BMCs/executing agencies.

3.03 Evaluation recommendations included:

- a) reviewing the conditions precedent of loans (to incorporate fast-tracking mechanisms, advance payments, revising conditions for first disbursement, simplifying reporting requirements in the disaster context, reducing commitment fees)
- b) enhancing the focus of mitigation in infrastructural design as part of RRL appraisal and design

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<sup>17</sup> *Approach Paper. Thematic and Sector Evaluation: Disaster Risk Management*, OIE, 2018, P3.

<sup>18</sup> *Evaluation of the National Disaster Management Strategy and Operational Guidelines*. CDB. 2009.

- c) enhancing commitment to maintenance of works by BMCs and further targeting by CDB of this aspect
- d) having sustainability and maintenance of RRL works considered as part of loan conditionality
- e) assessing Executing Agency institutional capacity and challenges and mitigating these
- f) focusing on monitoring, reporting and learning in the management of DRM assistance
- g) including public awareness activities as part of a holistic DRM process
- h) increasing focus on mitigation, institutional strengthening and policy assessment (rather than a sole focus on infrastructural investment).
- i) seeking joint-financing
- j) moving from a purely responsive 'upon request' individual grants/loans to a combined approach of responsiveness and pro-activeness
- k) including a strong and well supported DRM unit within the Bank.

3.04 The Bank issued a Management Response to the evaluation recommendations, broadly accepting them and stating that some had already been incorporated into the DiMSOG. Under the CDB system at the time, the Management Response did not trigger a formal Management Action Record,<sup>19</sup> which would track the extent to which the actions agreed in the Management Response have been implemented and with what effect. It is not therefore possible to explicitly assess performance against each recommendation. However, the evidence presented in this report does provide an overview of progress in the areas marked for attention by the NDMSOG evaluation and its management response.

## **DiMSOG concepts and approaches**

### **DiMSOG Concepts and Approaches**

3.05 In 2009, DiMSOG replaced the NDMSOG. Oversight of DiMSOG implementation is the responsibility of Environmental Sustainability Unit, which also oversees the Climate Resilience Strategy and the Environment and Social Review Procedures. DiMSOG underpins work of the wider Operations area, notably the Projects and Economics Departments and underlies approaches to major investments, including those of the Economic Infrastructure Division.

3.06 DiMSOG is intended to support and inform the following areas of intervention:

- a) Proactive assistance to BMCs to reduce risk through institutional strengthening, knowledge management, risk reduction measures and enhanced community resilience
- b) Post disaster response
- c) Mainstreaming DRM into CDB's grants and loans
- d) Effective collaboration by CDB with regional and national DRM partners.

3.07 While DiMSOG conceptually supports all areas of intervention across the Bank, specific financial Disaster Risk Management assistance through DiMSOG is delivered primarily through Emergency Relief Grants, Immediate Response Loans and Rehabilitation and Reconstruction Loans. Resource allocations for DiMSOG activities come from Special Funds and Resources (SFR) (available on a first come first serve basis for ERGs and IRLs); and from Ordinary Capital Resources and SFR for RRLs and proactive Disaster Risk Management interventions within Borrowing Member Country borrowing abilities and limits.

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<sup>19</sup> As utilised, for example by the World Bank and the Global Environment Facility.

3.08 The DiMSOG document distinguishes between proactive assistance and post-disaster response. While the latter category has a specific set of financial instruments, the former is more open-ended.

### DiMSOG Funding Envelopes

#### Post-disaster response financial instruments<sup>20</sup>

3.09 **The Emergency Relief Grant** is a **grant** of an amount **not exceeding USD200,000**, 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.

3.10 **The Immediate Response Loan** 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.

3.11 **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 to restore key economic sectors to better than pre-disaster operating levels while 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.

3.12 There is **no pre-defined limit** on the scale of an RRL. A major rehabilitation project could utilise all uncommitted resources available 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.

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

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<sup>20</sup> This description on financial instruments is obtained from *DiMSOG, Section 4, Operational Guidelines for Support to Borrowing Member Countries*.

## **Proactive Assistance for Disaster Risk Reduction and Climate Change Adaptation**

3.14 As defined by DiMSOG, future assistance to BMCs for proactive interventions in Disaster Risk Management and Climate Change Adaptation includes grants, loan financing, and blends of loan and grant funds<sup>21</sup>. In the case of an investment loan, grant funds from CDB's SFR will be used to fund a portion of the project wherever possible. 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 detailed processes outlined in the Operational Guidelines.

3.15 With regard to the above provisions for proactive assistance, CDB will consider the following programme areas to assist BMCs in risk reduction:

- 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.

3.16 Several development partners and other Multilateral Development Banks are supporting DRM and CCA initiatives in the region and DiMSOG suggests that opportunities for joint projects and related activities will be maximised wherever possible.

3.17 Compared with post-disaster response financing, pro-active assistance options are more open-ended and attract less specific attention in the Operational Guidelines. This makes it more difficult to speak of a "DiMSOG portfolio" in this area than for the more specific ERG and IRL funds. The Comprehensive Disaster Management arena in the Caribbean Region has many stakeholders and DiMSOG intends to maximize the Bank's comparative advantages as well as to enhance its cooperation with potential or actual partners.

### **Relationship of DiMSOG to Climate Resilience Strategy**

3.18 The CRS seeks to:

- a) develop and operationalise a robust environmental sustainability risk framework that explicitly includes climate resilience, for CDB's operations; and
- b) assist BMCs and regional institutions to mobilise financing, and to design and implement policies, strategies and investment programmes to address climate resilience and deliver on their sustainable development objectives.

3.19 A proposed two-phased approach will be used to build a CDB-explicit value chain to support climate resilience in BMCs, using the experience and expertise of its staff working within its core operational areas. It will need to engage BMCs to design and deliver a programme of capacity building and investment interventions that can be further scaled up and widened in the longer term, as capacity strengthens and financing levels improve.

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<sup>21</sup> DiMSOG, 2009. Paragraph 3.10.a.

3.20 DiMSOG substantially overlaps with the Bank's CRS, in particular with regard to reduction of climate-related disaster risks. There are potential loan areas that could fall under either Strategy, or could potentially be the subject of joint programming.

### **Financing of activities under DiMSOG**

3.21 It has not proved simple for the evaluation to develop a precise summary of all financed activities related to DiMSOG. Disaster-related activities are sometimes funded under Technical Assistance or other categories; and many Climate Resilience activities have a substantial overlap with DRM. Annex 5 presents the evaluation's understanding of approvals and expenditures from the commencement of DiMSOG in 2009 until present.

## **4. EVIDENCE ON PERFORMANCE AND RESULTS OF DIMSOG INSTRUMENTS**

4.01 This chapter presents evidence assembled and analysed on specific instruments, which have been used in support of BMCs in the field of DRM. As described in Chapter 3, DiMSOG has three specified instruments (ERGs, IRLs and RRLs), all of which primarily provide disaster response funding<sup>22</sup>. Since the release of DiMSOG in 2009, some additional instruments have been used for disaster-related funding. Policy Based Loans (PBLs), including Exogenous Shock PBLs, can be linked to national performance in terms of disaster-focused legislation, standards, institutions and actions. The Community Disaster Risk Reduction Fund (CDRRF) aims to build resilience at community level through support for projects selected on the basis of an open proposal process. Finally, Country Strategy Papers are seen as a potentially critical instrument for introducing CDB support to both post-event and proactive disaster management, and their performance in this respect is assessed.

### **Emergency Response Grants (ERGs)**

4.02 *Emergency Response Grants* of up to \$200,000 can be requested by a BMC either directly or through CDEMA-CU, triggered by an externally-conducted damage assessment of a "Level 2" disaster. The evaluation found data referring to 20 ERGs in 11 countries between 2009 and 2018 (see Annex 5). Intended and actual closing dates for these grants could not be established. Although grants are small, about half of them were not spent in full, including one which is reported to have spent only \$35 in four years and another reported to have spent \$0 over 6 years.

4.03 The list of items eligible for ERG funding is extensive. However, "direct humanitarian assistance" requires special approval from CDB, since this is considered to be outside the Bank's normal operations. This requirement was reported by some BMCs to have detracted from the value of ERGs, since in their specific disaster circumstances the country's most immediate needs proved to be humanitarian. According to national level stakeholders, the ERG then became more of a liability than a help, since valuable resources were later used in unsuccessful attempts to claim reimbursement. CDB staff cited some countries, which have told them that they now avoid the ERG modality, because it is "more trouble than it is worth". Several CDB operations staff expressed the view that, in its current form, the ERG has not proved its relevance. This is because BMCs report the need for liquid funds for immediate use on their own specific priority areas, with minimal administrative procedures. As implemented, ERGs have not met this need for all countries.

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<sup>22</sup> The performance of these three specific instruments is summarized in Findings 10 to 14 of Section 6.02.

4.04 Some countries have used the services of CDEMA to administer the process of collating and verifying the receipts required by CDB and have found this helpful. CDB stakeholders maintain that the final accounts for ERGs have largely not been presented by CDEMA and that procedures are not formally closed, even though some or all of the money has been spent. It was beyond the scope of this evaluation to explore this issue in detail. From CDEMA's perspective, countries have often failed to provide it with necessary documentation in support of their ERG expenditure, so it is unable to present this to CDB. CDEMA maintains that, where it has directly administered the ERG itself, it has detailed procurement records. Furthermore, substantial support for CDEMA is in process by some international partners to help upgrade its expertise in financial management and procurement, which should further strengthen its capacity in these areas. However, full realization of the benefits of such training would depend on adequate core staffing in CDEMA, which is currently heavily reliant on short-term contractual appointments associated with specific projects.

4.05 Overall, there is currently substantial dissatisfaction with the efficiency of ERGs among a broad range of stakeholders. BMCs indicate that the procedures involved are disproportionate to the funding provided and inappropriate for the challenging circumstances prevailing in the immediate aftermath of a disaster. ERGs are not formally monitored in terms of effectiveness or achievements, in keeping with their characteristics as small amounts of money devoted to emergency support packages. It is therefore not possible to draw conclusions on their results or contribution.

#### **Immediate Response Loans (IRLs)**

4.06 IRLs are triggered by the same circumstances as ERGs. Available data compiled by the evaluation<sup>23</sup> cover 21 IRLs, of which 11 are listed as closed. In some cases, the intended and/or actual closing dates could not be established. In others, substantial delays had occurred, often in the range of two to three years, but sometimes longer. All but one of the IRLs have been for the maximum amount currently allowed of \$750,000 and in almost all completed cases, this amount has been spent. Uncompleted IRLs show lesser amounts of expenditure, or "unknown" amounts.

4.07 The IRLs are clearly *relevant* for all BMCs affected by disasters, since the activities they support will always be essential in such circumstances. These include debris clearing, cleaning of areas for habitation or other use and emergency restoration of equipment or infrastructure. DiMSOG<sup>24</sup> specifies that: "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." It appears that CDB has interpreted this clause with flexibility, responding to requests for extension from BMCs. The evaluation did not find examples where the loan balance was cancelled by CDB for non-performance. Reported delays in closing some IRLs have been substantial, (sometimes over two years), but there is no reliable information on whether these delays are caused by lack of invoices or by late requests for reimbursement of invoiced amounts. Where delays have been long, the IRLs may have ceased to be relevant for their initial ("immediate") purpose; although since retrospective invoicing is permitted the original expenditure may well have been appropriate.

4.08 The Office of Independent Evaluation (OIE) commissioned a Project Completion Validation Report (PCVR) of a set of PCRs for five IRLs approved by CDB between 2010 and 2013 and successfully closed. Although there were another six IRLs, which had been closed before PCVR, it is not clear that these had PCRs in the data system at the time of the validation exercise. The five IRLs were extended to the Governments of Jamaica, St. Vincent and the Grenadines, St. Lucia, St. Kitts and Nevis and The

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<sup>23</sup> See Annex 5

<sup>24</sup> Paragraph 4.29

Commonwealth of the Bahamas towards the cleaning and clearing of debris and restoration of essential services damaged by Tropical Storm Nicole, Hurricane Tomas, Tropical Storm Otto and Hurricane Sandy. The Bank approved for each event an IRL of USD750,000 and use of an amount not exceeding the equivalent of USD20,000 to finance consultancy services to provide independent inspection and certification of works in connection with the projects undertaken.

4.09 The planned expenditure components for all of these loans were<sup>25</sup>:

- a) Clearing, cleaning and restoration services
- b) Project Management
- c) Consultant certification of expenditures for goods and services financed by the project.

4.10 Before the first disbursement of any IRL the country was obliged to appoint a Project Coordinator (PC) to manage project implementation. Each BMC also designated an Implementing Agency to coordinate arrangements for the activities funded by the project.

4.11 The PCVR provides ratings for *efficiency* of the five IRLs. Those in Jamaica, Saint Vincent and the Grenadines and Saint Kitts and Nevis were rated satisfactory on this dimension. Those in Saint Lucia and the Bahamas were rated marginally unsatisfactory, for the following reported reasons:

- a) In the case of St. Lucia, the loan was inefficiently administered by the government. The Certifying Consultants raised concerns that they could not determine, based on the information received, whether some quantities paid for were actually incorporated into the as-built structures. Furthermore, they also reported that rates in excess of industry norms were paid for some items.
- b) With regard to the Bahamas, clean-up activities had already been undertaken when the loan was approved. The administration of the loan by the Executing Agency was inefficient. Multiple claims had to be submitted before they could be accepted by CDB. This meant that the government ran the risk of not being able to access the funds before expiry of the 24 month window. The Consultant did not deliver his report in a timely fashion. Although rates paid to contractors were assessed to be reasonable, costs would have been lower if clean-up activities had taken place sooner after the disaster.

4.12 Major aspects affecting the overall efficiency achieved by the five IRLs include the performance at country level (borrower performance) and of CDB in implementing its procedures. Table 1 below summarizes these aspects.

*Table 1: Efficiency of borrower and CDB performance for five IRLs*

<b>Immediate Response Loan</b>	<b>Borrower Performance</b>	<b>CDB Performance</b>
	<b>PCVR Rating</b>	<b>PCVR Rating</b>
Tropical Storm Nicole – Jamaica	Satisfactory	Satisfactory
Hurricane Tomas – St. Vincent the Grenadines	Satisfactory	Satisfactory
Hurricane Tomas – St. Lucia	Unsatisfactory	Satisfactory
Tropical Storm Otto - St. Kitts and Nevis	Satisfactory	Satisfactory

<sup>25</sup> Consultant certification of expenditures for good and services were paid for under Use of Funds.

Immediate Response Loan	Borrower Performance	CDB Performance
	PCVR Rating	PCVR Rating
Hurricane Sandy – The Bahamas	Marginally Unsatisfactory	Satisfactory

4.13 There was variability in the performance of the borrowers and their Executing Agencies. While borrower performance was generally satisfactory, for the St. Lucia Hurricane Tomas IRL it was unsatisfactory, since the government submitted the Consultant’s report and disbursement application nine months after the two year limit in DiMSOG. Performance of the Bahamas Hurricane Sandy IRL was rated marginally unsatisfactory on the basis of evidence provided in its Project Supervision reports.

4.14 The PCVRs rated CDB performance for all IRLs under review as *Satisfactory*. This is based on that fact that CDB engaged certifying consultants in a timely fashion and supervised them adequately. For some loans, extensive communication and encouragement from CDB were required to urge the Executing Agencies to submit withdrawal applications in time to meet DiMSOG requirements. Project Supervision visits were annually undertaken and documented.

4.15 Despite the satisfactory ratings for CDB performance, some shortcomings were identified (by the PCVR) in this area. Particular areas of weakness identified were the Bank’s inability to ensure that PCs submitted PCRs and that Borrowers confirm actual counterpart expenditure. Further, Project Supervisors did not consistently place certifying consultants’ reports on file.

4.16 The five IRLs assessed by the PCVR process show that some IRLs have proceeded broadly as planned. However, examination of project data assembled by the evaluation (see Annex 5) and discussions with stakeholders in CDB and BMCs show that there are also examples of time over-runs, sometimes substantial. This suggests that the available PCRs reflect the more successful loans, since those which were delayed in closure or are still open have by definition not submitted such reports. In principle, delays beyond the defined limits should have led to closure of the loan; but CDB has shown flexibility and understanding of reasons contributing to such challenges.

4.17 Overall, reported data and stakeholder discussions show that IRLs have had *mixed efficiency*. Factors contributing to under-performance have included:

- a) BMC-perceived complexity of CDB procurement and accounting requirements
- b) Slow national procurement processes, including in some countries where relatively small contracts face lengthy delays awaiting Cabinet approval
- c) Inadequate project management skills of local contractors.

4.18 CDB has taken a number of measures to simplify IRL processes. For example, these loans do not need Board approval. Procurement processes have been simplified and the use of consultants to verify expenditures helps with payments. The recent practice of using designated accounts into which IRL funds are deposited at start-up is also expected to make their management more straightforward. Most contracts can be awarded in-country, with options for procurement through force account, shopping, and direct contracting up to \$500,000. Despite these measures, implementation has still been held up in several countries by national procurement procedures.

4.19 It is reported that in some countries, the relatively small funding amounts of IRLs mean that they have low priority with the Ministry of Finance and are therefore often deferred for necessary Government decisions. Among CDB staff, many feel that the time limits for IRLs should be applied and that funds

should be cancelled if they are not used and accounted for within a reasonable period. This would be expected to generate greater transparency in the use of these loans and provide an incentive for timely implementation.

4.20 The PCVR review of five IRLs also assessed the *effectiveness* of these loans. Saint Kitts and Nevis IRL was rated highly satisfactory on this dimension because of the reported high quality of its works, the importance of the activity to the immediate restoration of social and economic activities and the timeliness of its restoration. The other four IRLs were rated satisfactory on this dimension.

4.21 While the five IRLs discussed through the PCVR process performed effectively, stakeholder discussions and documentary analysis suggest that other IRLs have run into substantial implementation difficulties, which have a strong potential to reduce the effectiveness and quality of the work undertaken. Some CDB staff observed that in the initial post-disaster planning period IRLs sometimes appear more driven by consultant prescription than by government ownership. This is advanced as a major factor contributing to the slow pace of implementation of some IRLs to date.

4.22 Although the scale of IRLs has already been raised from their NDMSOG level, many staff feel that they should not be restricted to \$750K. Rather, the amount available should relate to the scale and severity of the event, within an expanded upper limit. So far, as shown by the PCVRs and discussions with stakeholders, the primary focus of IRLs has been on infrastructure works. This has meant that they often have no funding at all for the many relevant needs at community level, including for immediate short-term employment opportunities, health, house repair or school renovations. An expanded funding envelope could be used to address these pressing immediate issues.

### **Rehabilitation and Reconstruction Loans (RRLs)**

4.23 Although RRLs can be very substantial loans, they were not found to be well-recorded in CDB information systems. The evaluation found that the current database on this instrument is incomplete<sup>26</sup>. Nevertheless, it provides an approximate overview of the nature and source of RRL funding. The evaluation has compiled data (see Annex 4) covering 30 RRLs, totaling about \$279 mn in 11 BMCs. Funding for these has come from the Special Development Fund (\$122 mn), Ordinary Capital Resources and Reserves (\$118 mn), USAID (\$12 mn), Sustainable Energy Facility (SEF) (\$8 mn) and EIB (\$19 mn). Since actual closing dates of loans could largely not be identified, it did not prove possible to analyse implementation progress or over-runs.

4.24 As with IRLs, the OIE has undertaken a PCVR for four completed RRLs<sup>27</sup>. These loans span the period from the NDMSOG to the DiMSOG period. They were provided to the Governments of Jamaica and St. Kitts and Nevis towards the rehabilitation of infrastructure damaged by Tropical Storm Gustav (Jamaica), Hurricane Dean (Jamaica), and Hurricane Lenny (St. Kitts). Due to significant undisbursed balances remaining from both initial loans to the Government of Jamaica, a reformulated project was financed and allocated to activities in support of rehabilitation of Kingston Metropolitan Area (KMA) infrastructure damaged by Tropical Storm Nicole.<sup>28</sup> The PCVR therefore covers four projects.

4.25 The project objectives, amounts approved by the Bank to each affected country, and project components are shown in Table 2 below.

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<sup>26</sup> Information in the evaluation database has been assembled by OIE.

<sup>27</sup> In view of the absence of records of closing dates, the evaluation could not determine how many additional Project Completion Reports have been undertaken.

<sup>28</sup> The formal title for this loan was: Variation in Terms and Conditions – Use of Undisbursed Balances of Existing Loan for Tropical Storm Nicole Rehabilitation

Table 2: Details of four RRLs and their objectives.

Loan	Borrowing Member Country	Loan Amount (USD)	Objective	Project Components
NDM- RL – Hurricane Lenny	St. Kitts and Nevis	6,700,000 <sup>29</sup>	To contribute to the rehabilitation of social and economic services disrupted by the damage caused by Hurricane Lenny.	<ol style="list-style-type: none"> <li>1. Rehabilitation</li> <li>2. Engineering Services</li> <li>3. Project Management</li> </ol>
NDM – RL – Hurricane Dean Rehabilitation Works	Jamaica	20,500,00	To rehabilitate, restore and protect critical sections for physical infrastructure within the transport sector affected by Hurricane Dean and subsequent heavy rainfall between August and November 2007.	<ol style="list-style-type: none"> <li>1. Palisadoes Sea Defenses</li> <li>2. Road Rehabilitation</li> <li>3. Engineering Consultancy (Design and Supervision)</li> <li>4. Project Management</li> </ol>
NDM – RL Tropical Storm Gustav	Jamaica	30,000,000	To rehabilitate, restore and protect critical sections of physical infrastructure and reduce the vulnerability and difficulties which have arisen for the entire KMA, including the most poor and vulnerable in the shortest time, based on the least cost solutions.	<ol style="list-style-type: none"> <li>1. Rehabilitation of major KMA drainage channels</li> <li>2. Engineering Consultancy Services</li> <li>3. Project Management</li> </ol>
Reformulated Project - Tropical Storm Nicole	Jamaica	29,000,000	To reduce the flood risk of KMA, especially its impact on the vulnerable, by the rehabilitation, restoration and protection of critical sections of the physical infrastructure in the shortest time, based on least-cost solutions.	<ol style="list-style-type: none"> <li>1. Rehabilitation of major KMA drainage channels</li> <li>2. Engineering Consultancy Services</li> <li>3. Project Management</li> </ol>

<sup>29</sup> The original loan was for USD3.0 Mn based on preliminary estimates. After detailed design was undertaken the costs increased significantly, requiring additional resources. The revised loan was for USD6.7Mn.

*Ratings and Factors contributing to performance of RRLs*

4.26 An analysis of the evidence and ratings provided by the PCVRs shows the following characteristics for the four RRLs.

*Table 3: Ratings from PCVRs for Four RRLs*

Loan	Relevance	Efficiency	Borrower Performance	CDB Performance	Effectiveness	Sustainability
Hurricane Lenny: St. Kitts & Nevis	Highly Satisfactory	Marginally Unsatisfactory	Unsatisfactory	Satisfactory	Satisfactory	Satisfactory
Hurricane Dean: Jamaica	Marginally Unsatisfactory	Unrated	Marginally Unsatisfactory	Satisfactory	Unsatisfactory	Unsatisfactory
Tropical Storm Gustav: Jamaica	Highly Satisfactory	Highly Satisfactory	Satisfactory	Satisfactory	Satisfactory	Marginally Unsatisfactory
Tropical Storm Nicole: Jamaica	Highly Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory

4.27 Although the number of RRLs with PCVR ratings is small, it is nevertheless important to make use of the evidence provided, since they represent a sizable CDB loan value of \$86 mn.

4.28 A first observation is that performance is not predicted by country. Jamaica had three RRLs, two of which performed well, while the third was poor. The reasons for the poor performance seem to derive from the initial relevance of the Hurricane Dean loan activities. Although the works were important, Government rejected the design of the CDB consultants and obtained funds from other sources to build to a preferred design. So the CDB loan became irrelevant to this activity. For the three other RRLs, the relevance was high.

4.29 Looking at efficiency, elements contributing to poor performance ratings focused on incomplete delivery of work as designed, implementation delays and poor documentation. These shortcomings were attributed to weak borrower performance, leading in one case to failure to implement parts of the loan and in the other to a duration of 11 years to completion.

4.30 The Hurricane Dean project in Jamaica scored unsatisfactory ratings for both effectiveness and sustainability. This is because one major objective (strengthened sea defenses) was not achieved, since building standards were not at the level of resilience expected. Sustainability in a second Jamaican project (Tropical Storm Gustav) was also considered marginally unsatisfactory, since by the time of project completion, some works were already damaged and lack of maintenance was observed.

4.31 Among the four projects reviewed, borrower performance and sustainability of results were relatively weak, while relevance was generally strong. CDB performance was consistently satisfactory across all projects, while borrower performance was variable, which had effects on implementation efficiency. Overall, it can be seen that the RRL instrument can deliver satisfactory results, including in terms of sustainability. However, CDB supervision on its own is not sufficient to ensure efficiency,

effectiveness or sustainability. These require that national ownership is sufficiently strong and consistent to push forward with delivery and ensure quality.

### **Stakeholder Perceptions of RRLs**

4.32 In addition to the PCVR-based analysis presented above, the evaluation had extensive discussions with a range of key stakeholders on the role and performance of this loan instrument.

4.33 Key partner institutions in BMCs consider that RRLs are relevant because of their major focus on roads, bridges and coastal protection. These areas are seen as making vital contributions to restoring national economies after major events. In this respect, CDB contributions are filtered through its main interlocutor, the Ministry of Finance in BMCs, which tends to engage primarily with government bodies engaged in infrastructure development. This concentration has given rise to divergent views among CDB and BMC stakeholders concerning the relevance of RRLs. Some expressed the view that RRLs designed and implemented under DiMSOG have been overly focused on infrastructure development; rather than on a broad spectrum of rehabilitation and reconstruction activities focused on poverty. RRLs have not engaged to any major extent with housing, although this is often where most damage has been incurred, preventing people from re-establishing their lives. Other poverty-related areas, such as potential short-term employment opportunities, psycho-social recovery and support to small and medium enterprises, have also been largely outside of consideration in such loans. This absence of support to social reconstruction is seen by many BMC stakeholders and some Bank staff as reducing the overall relevance of RRLs in terms both of poverty-focused recovery and of building resilience for potential future events.

4.34 However, there are indications that the Bank is beginning to move towards broader approaches, within the constraints imposed by BMC preferences for RRLs. Given the all-embracing nature of damage from more recent and extreme events (particularly 2017), there is a new emphasis on multi-sectoral rehabilitation activities. These may include support in such areas as Emergency Operation Centres, seismic and weather monitoring equipment, government buildings, schools, Information, Communication and Technology systems, ferry terminals and many other areas. While these multi-sector loans offer greater opportunities for strengthened disaster preparedness and risk reduction than did the earlier (largely) one sector loans for roads and bridges, they also pose challenges for national management and coordination capacity.

4.35 Such complex multi-sectoral RRLs are in principle embedded in the Bank's regular operations at country level. They need to build on detailed information from such instruments as Country Poverty Assessments, vulnerability analysis and facility preparedness inventories. Although such RRLs imply smaller individual components, it has been found that some local contractors struggle even with contracts of less than \$1m; so that management challenges remain high.

4.36 A growing area for inclusion in DRM activities (particularly through RRLs) is psycho-social support. Recent disasters have been seen to generate substantial suffering, even to the extent of spikes in death rates in the post disaster period as people are traumatized by the destruction of their homes and/or livelihoods. In such situations, a range of support including counseling for individuals and small scale packages of insurance for small and micro businesses can stimulate national recovery, a fundamental aspect of which is to quickly restore community spirit and socio-economic activities. Whereas Governments, and to a large extent CDB, have had a major focus on restoring infrastructure, many stakeholders in BMCs and the Bank report that such less visible human aspects are at the crux of reviving countries and rebuilding social stability.

4.37 While RRLs can provide valuable support for the recovery process, Bank staff are often wary of proceeding too rapidly with them. This is because experience has shown that the Bank's good intention to

respond quickly does not always work as expected. The immediate post-disaster situation in any country is confused. Post Disaster Needs Assessments are conducted by a set of donors, sometimes coordinated, sometimes not, and can lead to the creation of a multi-donor fund. However, the plausibility of this fund cannot be assessed in the early period, since some pledges may not be realised. In other cases, governments may disagree with the approaches or conditions of some donors and exclude them from the process; while new funders may arrive later. Experience has shown that RRLs put together in a rush, although signaling the Bank's good intentions, often need substantial amendment to be implementable, since they are not "shovel ready". A commonly suggested measure to ensure that RRLs can cover all the key issues is to write in substantial contingency funds, the use of which can be agreed later as the enduring priorities become clearer.

4.38 Overall, many CDB officers highlight the need to adopt a more considered approach to assembling RRL packages, to avoid later restructuring, which causes delays and uncertainty. One well-supported approach is that RRLs should be prepared over a period of at least six months post-disaster, to be certain of the overall funding landscape and ensure that the CDB funds can have maximum and well-targeted results. However, if this were to become the prevalent approach, it would require an effective "buffer fund" mechanism between ERGs and RRLs. The challenge here is that IRLs, which could fulfil this role, have not performed consistently and are often too small to cover those immediate needs, for which CDB support could play an important role.

4.39 RRLs are major projects and subject to many of the same constraints as regular Bank activities with BMCs. Appraisal processes require detailed designs, infrastructure works must procure services of consultants and contractors and technical studies must often be completed. Furthermore, CDB officers with supervision responsibilities at country level often stated that they have too many programmes to provide the quality of engagement and responsiveness they warrant. While the Bank is seen to have a strong emphasis on getting funds into countries, some stakeholders within and outside the Bank suggested that it underestimates the human resource requirements of supervision. Reporting and monitoring actually undertaken by the Bank at country level is therefore seen as slight and BMCs have proved unwilling to pay for suggested monitoring and evaluation components. This situation is particularly challenging since there are often implementation challenges with consultants and contractors sometimes operating beyond their technical, managerial and financial capacity on the relatively large activities funded by RRLs.

4.40 Some RRLs have had substantial time over-runs. Suggestions that these delays are primarily due to CDB procedures appear to arise largely from Government officers at some distance from implementation; including Finance, Economic Affairs and Prime Ministers' Offices. Review of the history of specific projects provides evidence that many national factors have caused substantial delays, which are well-known to the implementing bodies. Some of the specific challenges facing national processes have included:

- a) Long processes to gain government approval for specific consultants, suppliers and contractors, sometimes leading to repeat calls for bids
- b) Open bidding processes leading to large numbers of company offers, but largely from unqualified companies
- c) Relegation of unfavoured activities, particularly studies deemed necessary by CDB but not by Government, to the back of the queue for approval by Cabinet or other Government approval body
- d) Change of Government leading to restructured priorities and renegotiation or realignment of previously agreed loan funded projects
- e) Need for time-consuming international tendering processes for large-scale contracts
- f) Breaking down of work into smaller lots, so that national consultants can bid for them; inability of national contractors to manage several smaller projects simultaneously

- g) Limited capacity of some implementing Ministries, which have few qualified and/or experienced staff to cope with an unusual work-load
- h) Land acquisition hold ups
- i) Extensive public consultation
- j) Delays in appointing project managers.

4.41 BMC stakeholders are aware that neither governments nor private sector operators are well-informed with regard to CDB requirements and procedures. Training on these aspects is periodically provided by the Bank and is greatly appreciated. Local contractors have gained valuable knowledge, particularly with regard to what is or is not allowed in CDB tenders. In some instances, it was reported that the knowledge gained had a wider development effect, since contractors used their new knowledge to bid on other programmes in the region. In other cases, Government departments have utilised the knowledge to run their own courses for contractors, to raise them to a more competitive level. However, timing of CDB training is vital, since some country-level stakeholders indicated that this was provided long after start-up of RRL activities, by which time procedural errors had already been made.

4.42 BMCs often reported delays in CDB's release of funds, which they largely attributed to the Bank's procurement factors. However, it is difficult to confirm this viewpoint, since Multilateral Development Banks operational in the Latin America and Caribbean region have harmonized procurement procedures (although eligibility criteria differ among them). There are also regular discussions and formal agreements among these Banks to ensure that any updates in procedures are compatible. Within this overall approach, CDB is seeking to further simplify its procedures through a revised and publicly consulted Procurement Framework. This is expected to relax eligibility criteria for consultants and suppliers (although these are already less restrictive under DiMSOG rules and, where still applicable, have been the subject of successful waivers, particularly for RRLs). The revision will also pilot an e-disbursement system as part of overall portfolio management.

4.43 CDB is well aware of the challenges faced by BMCs with regard to procurement and has taken many measures to try to overcome them. Substantial training programmes have been mounted, with the intention of ensuring that only persons with procurement accreditation work on CDB projects. Although it may be anticipated that updated Bank procurement approaches can relieve some pressure points from loan implementation, it is still noted that in-country procurement systems are often the major cause of delays. The major approach used by BMCs to overcome management challenges of large scale disaster funding is the creation of Special Project Units, which will manage only the RRL (or other CDB) loans, in an attempt to keep implementation on track. These have not only been used for CDB, but also for World Bank programmes and some standalone national agencies for reconstruction post-disaster (i.e. CREED in Dominica and RDA in British Virgin Islands), confirming that national systems struggle with unusually large activities. While such Units present advantages in terms of delivery of CDB-funded activities, they are also controversial for a number of reasons. In particular, many BMC stakeholders believe that they have negative effects on the capacity of government Line Ministries, which are the long-term providers of services and infrastructure to the nation. Firstly, such Units usually offer favorable conditions of service for their staff as compared with standard government employment. Secondly, they have greater operating budgets and support services, to enable work to proceed more rapidly. Thirdly, since funding is mainly external, they are less subject to operating delays caused by national funding shortfalls. These aspects mean that activities implemented by a Special Project Unit can be relatively efficient, although still prone to delays when higher level approvals are required. There may however be knock-on disadvantages in terms of overall effectiveness of national response and sustainability of implementation levels.

4.44 Another approach has been the commissioning of an external body, such as UNDP, to support project execution. Although this has proved useful, such a contracted body cannot make decisions on behalf

of the BMC and the requirement in some countries for Cabinet approval of even relatively small contracts cuts into the advantages gained in preparation time.

### Policy-Based Loans

4.45 PBLs' pre-implementation policy requirements, which may include some related to DRM, and the likelihood of inclusion of broader aspects than infrastructure suggest that they have the opportunity to be more effective in terms of proactive capacity building for disaster resilience than RRLs.

4.46 One basic feature of PBLs is cited among staff as a decisive point in their favour. They have no undisbursed balances. Since they are not allocated to specific purposes, once necessary policies and conditions are in place, money can be disbursed to meet needs identified directly by government. PBLs are seen by BMCs as having the potential to reduce the hold-ups to full utilization of CDB funds. However, other stakeholders with extensive implementing experience expressed more caution, since they believe that problems with national decision-making processes, and downstream procurement and management are still likely to affect actual implementation progress. This appears to be supported, for example, by the case of a PBL extended to St. Vincent and the Grenadines, for which a Project Completion Validation Report is available.<sup>30</sup> The PCVR gave the loan an efficiency rating of *Marginally Unsatisfactory* because it "was expected to disburse within one year, but after four years had elapsed two activities were still incomplete (despite two revisions), and were still considered to be highly relevant to meeting outcomes".

4.47 PBLs were reported by a variety of stakeholders to be potentially highly relevant to disaster resilience. Ministries of Finance reported overall satisfaction with their discussions with CDB on macro-level fiscal matters and feel that CDB gives good advice, well-tailored to specific country circumstances. This gives a sound platform to consider comprehensive approaches to such issues as vulnerability and resilience, including a broader spectrum of national partners than would be engaged in discussions for a routine CDB loan or for RRLs. In turn, ministries and other agencies, including NDOs can be meaningfully included in discussions about overall disaster management and may even benefit from the loan for some of their own relevant activities. Finally, all national partners appreciate that PBLs lead to early disbursement with greatly reduced CDB procedures. This positive view among BMCs enables the possibility of a virtuous cycle in which countries that develop appropriate approaches to proactive disaster resilience receive more straightforward loans, with less complex accounting, which in turn makes CDB a more attractive partner for proactive disaster funding.

4.48 More explicit focus on the use of PBLs could therefore feature more prominently in a revised DiMSOG. They are an instrument that can encourage BMCs to adopt proactive approaches to disaster resilience, with attendant quick disbursement of funds once disaster resilience policies and arrangements (prior actions) have been put in place.

4.49 The Bank has already begun the move in this direction through the increasing use of PBLs, including the recent sub-type of Exogenous Shock Policy Based Loans (ESPBL), one of which has been approved for British Virgin Islands. According to a document for this loan, it "could be designed to support a country's effort to put in place appropriate policies and institutions aimed at building resilience to such events. It is based on policies that existed prior to the exogenous shock and the continuation of those policies over the medium term if the shock had not occurred. It is not designed to focus on fiscal measures in the same manner as a macroeconomic PBL but rather, the strength of the policy framework prior to the event. The prior policy framework and performance of BVI has been assessed as appropriate, for this operation"<sup>31</sup>.

<sup>30</sup> Executive Summary with Management Response. Project Completion Validation Report. Policy Based Loan. St. Vincent and the Grenadines. (P3) CDB. OIE. 2016.

<sup>31</sup> Economic Stability and Resilience Building Policy-Based Loan. British Virgin Islands. (President's Recommendation No. 959). Page 1. CDB 2018.

## Community Disaster Risk Resilience Fund

4.50 Community resilience and capacity are often mentioned in CDB and national documents as potentially important components of overall DRR and preparedness, but receive little funding. National Disaster Management Offices are largely seen as providing expertise and systems for immediate response activities, such as disaster warning systems, logistical coordination and management of emergency stores. Staffing and operating budgets of these offices are characteristically too small to generate or sustain coherent national programmes of community resilience. The offices are sometimes engaged with community capacity, but largely from small-scale funding through CDEMA or directly from donor programmes. The main program that currently supports activities in this area is the Community Disaster Risk Resilience Fund.

4.51 The CDRRF is a \$20 million fund with a planned closure date in 2020, originally funded by the Governments of Canada and UK,<sup>32</sup> and the EU. It may award grants of up to USD650K for sub-projects of up to two years duration; “to reduce vulnerabilities and build resilience to the impacts of natural hazards at the community level”. Some potential activities include:

- a) Building resilience at community levels for DRR and CR
- b) Knowledge Attitude Practice studies, baseline studies
- c) Enhancing country poverty programme - incorporating DRM in Country poverty assessments.

4.52 At the time of the evaluation interviews, the capacity of the 18 BMCs (excluding Haiti, which has its own funds) to respond successfully appears to have been limited. The original Call for Proposals asked organizations in eligible countries to submit a concept note. Although 144 concept notes were received, only 14 of these were deemed eligible. On the basis of these, 14 sub-project proposals were submitted and 8 were approved. Of these, five were in Jamaica, one in British Virgin Islands, one in Saint Vincent and the Grenadines and one in Belize. Seven sub-projects are currently being implemented and seven are “on hold” – until the way forward has been finalized.

4.53 A number of BMC stakeholders discussed their CDRRF experiences with the evaluation team. This Fund should be an important and relevant platform of CDB’s overall support to disaster resilience. However, reported experiences were not positive. Overall, the challenges encountered in accessing the Fund were assessed by these stakeholders to be sufficiently daunting to reduce its relevance as a potential contributor to disaster resilience at community level. This perception across the region is supported by the fact that five out of the eight projects approved at the time of the evaluation were in one country, while the great majority of others were pending or rejected. The decisive factor promoting application success seems to be a national organization, which can support community bodies to successfully negotiate the application process.

4.54 Projects approved appear relevant to DiMSOG intentions. For example, in one country the Fund’s support is focusing on trying to build “SMART” communities; which are resilient to disaster and well-adapted to Climate Change. Topography and population density, make these communities very vulnerable and the impacts of disasters would be high. Sub-projects are being managed by several NGOs, with support from a Government Ministry and the national disaster management office. The approach has also included small and medium enterprises, which often have no provision to cope with extreme events.

4.55 The Fund has faced significant challenges. Although it has only a small team, staff turnover has been high. Preparing proposals in country has proved a major issue. The Fund held a workshop for NDOs,

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<sup>32</sup> The UK has since withdrawn.

which are expected to support local organizations to prepare proposals. Although this raised capacity, it is found that people move around rapidly and skills are lost and not replaced. Even when information is on the internet, people do not make use of it. For example, there are regional funds under CDRRF, but no set of countries has put together such a project. CDB does not seem to have been well-prepared for this programme and has only recently commissioned a consultant to prepare a manual as to how communities can undertake procurement, using existing Bank procurement methods such as shopping.

4.56 The Fund has created space to address community level disaster resilience, including in such areas as adaptive livelihoods. However, its relevance does not seem to have been maximised. The Bank has a growing range of expertise and knowledge focused on identifying and addressing such areas as poverty, vulnerability and gender equity among BMCs. For most countries, a good body of relevant information in these areas is available and could provide the background to select key communities to target, based on their disaster vulnerability and capacity to deal with this.

4.57 CDB also has well-established practical experience of working with communities through its long-running (more than 35 years) Basic Needs Trust Fund (BNTF) programme. However, the Fund does not appear to have drawn on the experience or established contacts of the BNTF. It is not clear, even to some Bank stakeholders, why such collaboration was not established, rather than establishing a completely new range of partnerships. This is particularly so since BNTF has a good disbursement record.

4.58 Despite the opportunities to build on CDB's existing poverty-focused analysis and activities, the CDRRF is essentially an open call for proposals, detached from the comparative advantages presented by the body of in-house work on poverty, gender and vulnerability already supported in BMCs. It is evident from challenges encountered in approving proposals that the process is not yet well-understood among BMCs and it appears that to date, the Fund has had limited relevance to the Bank's broader intentions on proactive disaster resilience and represents a largely missed opportunity.

### **Country Strategy Papers and DiMSOG**

4.59 Country Strategy Papers (CSPs) present a major entry point for CDB strategies, policies and guidelines into the loan and grant portfolio. They are based on detailed assessment and discussions around the key areas where Bank assistance can promote a country's development progress and poverty reduction. In view of the intention to mainstream DRM in the Bank's operations, it was therefore anticipated that this would be prominently addressed in CSPs. Accordingly, the evaluation reviewed a selection of CSPs, with a particular focus on those of the DiMSOG period; but also with consideration for some from the preceding NDMSOG period; to trace any changes, which may have occurred between the two strategies. An overview of the treatment of DRM, CC and related aspects is presented in Tables 4 and 5 below; followed by analysis of evidence presented in the Tables.

*Table 4: Key elements of Country Strategy Papers under NDMSOG*

<i>Country</i>	<b>DRM identified</b>	<b>Gender (G) &amp; Vulnerability (V)</b>	<b>DRM (D) CC (C) discussed</b>	<b>DRM Activities <sup>33</sup></b>	<b>CC Activities</b>	<b>Strategy</b>	<b>Other Devt partners</b>	<b>DRM Results</b>	<b>Budget %</b>	<b>DRM Mainstreamed</b>	<b>Comment</b>
<i>Dominica 01-03</i>	+	G – V -	D+C+	+	+	-	+-	-	U	-	
<i>Grenada 00-02</i>	+	G- V-	D+C+	+	+	-	+	-	30	-	Rehab of roads and coast includes DRM
<i>St. Kitts &amp; Nevis 06-08</i>	+	G+ V+	D+C+	+-	-	+	+	-	5	+-	
<i>St. Lucia 99-01</i>	+	G- V-	D+C+	+-	-	+	+	-	5	-	
<i>St. Lucia. 05-08</i>	+	G+ V+	D+C+	+-	-	-	+	-	5	+-	
<i>SVG 08-11</i>	+	G+	D+C+	+-	-	-	+	-	U	+-	

<sup>33</sup> + = Yes, - = No, +- = Weak

*Table 5: Key elements of Country Strategy Papers under DiMSOG*

<i>Country</i>	<b>DRM identified</b>	<b>Gender (G) &amp; Vulnerability (V)</b>	<b>DRM (D) CC (C) discussed</b>	<b>DRM Activities</b>	<b>CC Activities</b>	<b>Strategy</b>	<b>Other Devt partners</b>	<b>DRM Results</b>	<b>Budget %</b>	<b>DRM Main-streamed</b>	<b>Comment</b>
<i>Anguilla 10-15</i>	+	G+ V+	D+C+	-	-	-	-	-	U	-	
<i>Anguilla 16-20</i>	+/-	G+ V+-	C+, D-	-	+/- Weak	-	+	-	0	-	-
<i>Antigua 10-15</i>	+	G+ V+	D+ C_	-	-	-	+	-	0	-	
<i>Antigua 15-18</i>	+	G- V-	C+ D-	-	-	-	+	-	0	-	
<i>Barbados 15-18</i>	+	G+ V-	D+C+	+	+	-	+	+	31	-	Roads Coastal works
<i>Dominica 10-12</i>	+	G+ V-	D+C+	+	+	-	+	-	U	-	
<i>Grenada 09-11</i>	+	G+ V+	D+C+	-	+	-	+	-	1	-	
<i>Grenada 14-18</i>	+	G+ V+	D+C+	+	+	-	+	-	1	-	
<i>Montserrat 12-15</i>	+	V+ G-	D+ C-	+	-	-	+	-	1	-	Volcano. Small CP
<i>St. Kitts &amp; N 13-16</i>	+	V+ G+	C+	+	+	-	+	-	2	-	
<i>St. Kitts &amp; N 17-21</i>	+	V+ G+	D+ C+	+	+	-	+	-	30	-	Infra-structure may overlap with DRM
<i>St. Lucia 13-16</i>	+	V+ G+	D+ C+	+	+	-	+	+ vague	4	-	Roads & bridges
<i>SVG 14-18</i>	+	V+ G+	D+ C-	+	+	-	+	-	13	+ slight	Funding for analysis and management
<i>Turks &amp; C 15-18</i>	+	G+ V-	D- C+	-	+	-	+	-	U	-	Under UK management some years.

U = unspecified

***Incorporation of Disaster Risk Management and Climate Change in Country Strategy Papers.***

**Under NDMSOG**

4.60 Six Country Strategy Papers (CSPs) prepared under the NDMSOG were reviewed for their engagement with DRM and Climate Change. They all identified Disaster Risk Management (DRM) as an important issue facing the country's development. Half of the papers did not discuss either gender or vulnerability, which are closely related to the effects of disasters. All papers discussed the importance of both DRM and CC for the future strategy period. However, only two out of the six had clearly identified DRM activities, with the other four including activities that could be loosely interpreted as contributing to DRM. Climate Change fared slightly less well – with two papers identifying CC activities and the remaining four not doing so. NDMSOG was specifically mentioned in two of the six, showing some level of visibility within CDB and supported by the BMCs concerned. All six CSPs discuss activities of other international development partners of the country, but with no specific reported collaborative activities.

4.61 Although all of the papers presented some level of DRM-related activities, none specifically included DRM in the Results Framework. In almost all cases, budget allocations for DRM were small or unspecified. Grenada allocated 30% of its envelope to activities potentially related to DRM, almost all of which was for post-disaster rehabilitation of roads and coastal infrastructure.

4.62 Overall, the CSPs reviewed under NDMSOG articulate CDB's awareness of the importance of DRM and Climate Change to the countries concerned, but propose very limited support to these areas. Mainstreaming of DRM is slight and, although international development partners are identified, no tangible attempts to create DRM partnerships with them were proposed. The main example of funding DRM-related activities concerns post-hurricane infrastructure rehabilitation.

**Under DiMSOG**

4.63 Fourteen Country Strategy Papers prepared during the DiMSOG period were reviewed, all of which identified DRM as an important challenge facing the country. Two do not explicitly address gender-related issues and four are not specific in their approach to vulnerability. Specific discussion of DRM is present in 10 of the 14 papers and eight of them propose activities identifiable as DRM-related. With regard to CC, 11 of the 14 discuss its importance and 10 propose activities in this field.

4.64 The DiMSOG is not specifically mentioned in any of the 14 CSPs, suggesting a low level of visibility and importance in discussions concerning future programmes, even though all papers identify DRM as an important issue. Almost all documents identify other development partners of the country, but with no specific plans to collaborate with them with regard to DRM. In most countries (11 out of 14), the budget with some relationship to DRM is small and in those where it is larger it mainly concerns infrastructure projects. The only CSP which takes an approach that is focused on strengthening DRM and CC adaptation is that for Saint Vincent and the Grenadines (2014 – 18). This includes support in a number of relevant areas, including:

- a) training and certification of artisans in safer construction and of building inspectors to enforce building regulations
- b) strengthening of Ministry of Finance's capacity for assessing and managing multi-hazard and climate risk
- c) improving ecosystem services for climate resilient watershed and water resources management.

4.65 In summary, the 14 papers show minimal progress with regard to DRM mainstreaming.

## **Comparison of Relevance of NDMSOG and DiMSOG to Country Strategies**

4.66 The review and analysis of the relevance of the two strategies addressing Disaster Management do not suggest any major strengthening of CDB's support in this area from one strategy to the next. Rather, a comparison of the documents suggests that activities related to Climate Change have become more prevalent over time while those related to DRM have not significantly advanced. The DiMSOG strategy appears to have been seen as even less relevant to country programmes than was NDMSOG, which was referenced in a minority of countries as against the complete absence of references to DiMSOG in CSPs of its period. Attempts to include DRM in results frameworks show little progress and, even where it is mentioned, this is in regard to infrastructure completion with a loose relationship to DRM.

4.67 In summary, neither Strategy has driven the relevance of DRM strongly into Country Strategies or proactive programmes, and the transition from one to the other did not generate additional focus on DRM at this level. Climate Change has however received increasing attention over time.

## **5. EVIDENCE ON DIMSOG THEMATIC ISSUES**

5.01 This chapter summarizes evidence assembled and analysed from interviews and discussions with a range of stakeholders on thematic issues, which they perceive to be important with regard to the implementation of DiMSOG to date.

### **Proactive Approaches**

5.02 Under DiMSOG, proactive approaches are foreseen in "Disaster Risk Reduction and/or Climate Change Adaptation" in the following areas<sup>34</sup>:

- 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)
- e) Community Resilience.

5.03 As shown by the financial data of Annex 5, take-up of loans for such approaches has been minimal. Relevant support has to some extent been provided under TA grants, such as that for "Strengthening Capacity in the Public Sector for Evidenced-based Decision-Making to Improve Resilience to Climate Change Impacts and Environmental Risks in St. Lucia". This provided \$85,000 of support from SDF resources, under the corporate priority "Promote DRM and climate change mitigation and adaptation". Information on the cumulative value of support related to DRM from such TA could not be readily accessed, but these envelopes are limited and a fundamental issue concerns the extent to which they form part of an overall coordinated DRM approach at country level.

5.04 Staff with long-term experience reported that programmes before DIMSOG did not formally build in proactive solutions as well as response. However, for example, when a Government requested a reconstruction loan for a road cut off by landslide, the Bank offered Technical Assistance/capacity building to help it better understand disaster risks and be prepared for them. This gradually became a standard EID

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<sup>34</sup> See DiMSOG Annex 2

approach and RRL appraisal now characteristically includes a broader range of technical expertise than was earlier the case.

5.05 PBLs are seen as a potentially important reinforcement system for proactive disaster resilience. For example, USD20 mn was recently reallocated from within an existing PBL to be used for addressing the severe hurricane damage to Barbuda. This recognized that Antigua and Barbuda had taken some proactive measures in terms of its CCRIF coverage and building codes; both of which are important contributions to resilience.

5.06 Two underlying reasons were mentioned by many stakeholders as contributing to the weakness of proactive disaster resilience and preparedness as elements of DiMSOG funding. First, these are unlikely to be adopted until Governments integrate DRM into their own strategic planning and budgeting. Proactive DRM is reported to need a level and length of engagement, which is not reflected in current national or regional approaches, which have been largely reactive. There must be consistent long term engagement. However, country level discussions with stakeholders in different institutions showed that these areas are not Government priorities for national support and funding. Secondly, National Disaster Offices (NDOs) are characteristically (with some exceptions) under staffed and resourced; while potentially related Ministries, dealing with community development, social equity and poverty reduction are also low in resource allocations from government. These two aspects are reflected in priorities for external funding with regard to disaster management and response. Governments do not regard this area as one for which loan funding is generally appropriate and often locate it near the bottom of government priorities for budget allocation.

### **Practice and Effects of Building Back Better**

5.07 Although the “building back better” concept has gained considerable traction among CDB staff and BMC stakeholders, it is not derived directly from DiMSOG, which refers rather to “restoration of key economic sectors to better than pre-disaster operating levels.” The meaning of “building back better” has not been specified; but country-level discussions suggested that it is currently likely to be interpreted primarily in engineering terms. For example, one Government Ministry noted that a 1 in 50 year event was its routine design standard, while the RRL-funded replacement has been designed to a 1 in 100 year standard.

5.08 In support of the concept, both BMC and CDB stakeholders cited instances of infrastructure funded from loans under DiMSOG, which withstood recent hurricanes. However, some external observers also cited Bank-funded infrastructure which apparently did not. Information received by the evaluation was largely anecdotal and it found no coherent data on what specifically has been done to build back better and with what results.

5.09 According to some country level stakeholders, CDB’s intention of “building back better” has not always been followed. As one example of several described, the budget to rehabilitate several pieces of infrastructure was based on initial designs from the Public Works Department. Later, the CDB-funded consultants produced detailed designs and analysis, which showed that the budget was too small.

5.10 Country stakeholders therefore identified the following options:

- a) Increase the loan
- b) Do fewer projects
- c) Do all projects at lower cost.

5.11 According to country officials, the CDB PC decided unilaterally to reduce the scope of all projects to fit the original budget. They saw this as a poor option, since it did not match up to “better” quality. Currently, there appears to be no standard CDB practice under RRLs (or IRLs) to hold contingency funds to meet such situations.

5.12 In other cases, existing infrastructure or settlement patterns make it unaffordable to build back much of the system to better standards. For example, in one BMC, numerous roads were originally built by private developers, with no attention to drainage. Later these roads became part of the national system and Government took on the responsibility for their maintenance. Here it would be too expensive to “build back better” such a large network of roads with poor or no drainage. However, this leaves the challenge that these roads are inundated and/or damaged whenever there are big storms.

5.13 Despite challenges encountered, instances of successful building back better were also reported. For example, one project consultant introduced the use of gabion baskets and cascading drains on steeply sloping terrain; which were an innovation in the country.

5.14 The housing sector was observed to be one where the concept of “building back better,” although pertinent, is often unlikely to be achieved. In a post disaster situation, residents want to repair or rebuild their homes as quickly as possible at a price they can afford. The possibility of improving the quality and resilience of the home through greater investment and higher building standards is not likely to have short term appeal under those circumstances, unless it has a major support package. To date, CDB has had minimal focus on housing as a response or rehabilitation funding area, although many country level stakeholders reported this to be one of the major areas for which post disaster support is needed.

### **Mainstreaming of DRM**

5.15 A broader issue concerns the extent to which DRM practices have been mainstreamed into BMC policies, strategies and programmes. The evaluation found little evidence that this has been a major factor in CDB support to BMCs to date. This is not surprising, since there has been little take up of the intended funding for proactive measures.

5.16 To some extent, mainstreaming DRM has been incorporated into processes for infrastructure projects; for which Climate Risk Assessment is now part of the design process. Although it is recognised as important to build more resilient infrastructure, the Bank also has to manage the cost implications of this.

5.17 Several examples of mainstreaming disaster resilience have been noted in CDB Country Strategy Papers (CSP). The Belize CSP 2011-2015 recognizes the country’s vulnerability to natural hazards such as hurricanes and flooding. It states that all interventions need to integrate climate change resiliency and Disaster Risk Reduction considerations. The Bank will also support Technical Assistance to mainstream DRR in sectoral policies. The Montserrat CSP 2012-2013 calls for increasing resilience and reducing vulnerabilities. This includes strengthening the country’s capacity to safeguard its limited natural resources by improving natural hazard resilience and consolidating gains in DRM. In practice, however, countries have proved hesitant to request financial support to strengthen resilience, unless grant financing is available.

5.18 The Office of Independent Evaluation commissioned an assessment of the extent and effectiveness of the mainstreaming of environment, climate change and disaster management at CDB<sup>35</sup>. This covered strategies, policies, programmes, projects and operations over the period 2005–2011. This reported as achievements:

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<sup>35</sup> Assessment of the extent and effectiveness of the mainstreaming of environment, climate change and disaster management at the Caribbean Development Bank. P3. OIE. CDB. 2012.

- a) CDB has strengthened its reputation as a credible regional and international partner in DRM.
- b) DRM and DRR are incorporated at the core of the Bank's development agenda.

5.19 In retrospect, these seem somewhat optimistic and to under-estimate what still needs to be done. Other conclusions of that mainstreaming evaluation accord more closely with findings from this one. For example:

- a) "The DRM and the environmental specialists are overstretched as institutional resources. They are responsible for reviewing all projects from the DRM/environmental perspectives and design of disaster/environmental specific interventions, while also personally participating in appraisal and supervisory missions for all 18 BMCs.
- b) The allocation/availability of financial resources within the Bank and in the Environmental Sustainability Unit (ESU) for mainstreaming are inadequate to address mainstreaming in a pro-active manner<sup>36</sup>."

5.20 Mainstreaming DRM into a broader range of sectors as part of recovery and rehabilitation has not yet occurred to any significant extent. Elements necessary for national resilience, such as restored and upgraded schools and health centers, purpose built or adapted shelters and community rebuilding have not emerged as top priorities. To date, they have not been seen as appropriate for external loan funding, but have also often not been supported from national budgets.

### **Linkages between DRM and Climate Resilience**

5.21 Disaster Risk Reduction is the main overlap between Climate Resilience and DiMSOG. At international level this has been advanced by an increasing focus of the International Panel on Climate Change on risks associated with Climate Change; which has strong overlap with DRM approaches. Within CDB, the goal of DiMSOG incorporates the inter-linkages between the two areas: "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". In implementation terms, connections have often been largely implicit rather than explicit – "building back better" is expected to promote Climate Resilience<sup>37</sup>.

5.22 The European Investment Bank (EIB) and CDB have a USD110 million financing agreement to support investment projects in the Caribbean under CDB's climate resilience strategy. The Climate Action Framework Loan II builds on the USD65 million Climate Action Line of Credit signed between EIB and CDB in 2011, and which supports nine projects in seven countries across the Caribbean.

5.23 Staff report that since about 2012 the Bank stepped up its attention to Climate Action, Climate Vulnerability and Risk in projects. For example, appraisals are asked to quantify the incremental cost of Climate Change resilience-focused rebuilding as against regular building. Consultants' Terms of Reference include comparing a risk assessment against the investment cost of better standards. All infrastructure programs get climate variability assessments and provide training for BMC governments on maintenance and climate resilience.

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<sup>36</sup> Assessment of the extent and effectiveness of the mainstreaming of environment, climate change and disaster management at the Caribbean Development Bank. P3. OIE. CDB. 2012.

<sup>37</sup> It may also strengthen resilience to a broader range of hazards beyond those related to climate and "hydro-meteorological events."

5.24 At the same time, investment decisions taking into account the costs and benefits of more resilient infrastructure are not always straightforward. For example, when sea defenses have been breached there is an urgent need for a temporary project, which may be more easily implemented by simply putting back what was there. In such circumstances, CDB tries to influence countries to build back better and emphasizes the value of investing in higher quality, even though countries are borrowing money.

5.25 Eligible investments under the Climate Action Framework Loan II include climate change mitigation, adaptation and resilience projects in renewable energy, energy efficiency, road transport, water infrastructure and community-level physical and social infrastructure that reduce greenhouse gas emissions and improve resilience to the impacts of climate change.

5.26 Attached to the EIB Loan is a TA component (which became operational in September 2014) to support CDB to develop projects to mainstream climate action in CDB and BMCs. These projects, which may have co-financing from other CDB resources, must have Climate Resilience as a core aspect. BMCs receive a grant to conduct risk and vulnerability analysis of potential climate effects on project infrastructure. The TA has generated an E-training module on Climate Change, which includes a recently-released module on Climate Risk Assessment.

5.27 Although the support in CR has been well-received in CDB, documentary evidence and discussion suggest that it has not yet generated updated working tools, such as operational manuals, or design and supervision practices. Furthermore, projects approved for funding under the loans have been slow to start up. Contributory factors cited by stakeholders have included:

- a) Too few CDB staff to fully prepare projects
- b) Projects approved by Board before they are ready to start
- c) Approved projects lacking country ownership or preparedness, sometimes taking several years to reach start-up
- d) Detailed legal review by BMC only takes place after approval.

5.28 Disaster Risk Reduction is the main area of overlap between Climate Resilience and Disaster Risk Management. In the international arena this is evidenced by an increasing emphasis of the IPCC on assessing the risks associated with Climate Change; which has a strong overlap with DRM approaches. Within CDB-supported activities, “building back better” has been one concept implicitly promoting linkages between Climate Resilience and Disaster Management. Practical opportunities to bring the two arenas closer together are being promoted in ESU, for example by adding non-climate risks to climate vulnerability assessment to give a more comprehensive overview of risks. In terms of project design, there are some initial indications of movement towards a more integrated approach. For example, the 2013 St. Lucia project, *Strengthening Capacity in the Public Sector for Evidence-Based Decision-Making to Improve Resilience to Climate Change Impacts and Environmental Risks* had as its objective “improved capacity in the public sector to adopt evidenced-based decision-making in the formulation of policies and programmes to effectively address issues that will improve resilience to climate change impacts and other environmental risks,” with no clear linkages to or engagement with DRM. However, by 2017 the project in Haiti, *Building Capacity for Disaster Risk Management and Climate Resilience in Ile a Vache* proposed an integrated approach, incorporating production of a DRM-climate change adaptation (DRM-CCA) plan, climate resilient spatial plan (CRSP) early warning system (EWS) and public education, awareness programme (PEAP).

5.29 Country Strategy Papers provide the foundation upon which CDB support is largely built. Fourteen Country Strategy Papers were prepared during the DiMSOG period, all of which identified DRM as an important challenge facing the country, with eight of them proposing activities identifiable as DRM-related.

With regard to climate change, 11 of the 14 CSPs discuss its importance and 10 propose activities, which could promote climate resilience. However, only one of these 14 CSPs (Saint Vincent and the Grenadines, 2014 – 2018), takes an approach that is focused on integrated strengthening of capacity in DRM and CC adaptation. This is clearly a fundamental area for further attention by CDB, to ensure that country level cooperation has an explicit focus on harmonising approaches to strengthen implementation of both strategies.

5.30 In practical terms, the growing fundability of climate resilience and adaptation interventions appears to offer potential support to effective disaster resilience programmes, which could contribute to meeting DiMSOG's objectives. For example, potentially-available resources from the Climate Action Line of Credit of the European Investment Bank have an attractive interest rate subsidy and have been blended with Ordinary Capital Resources (OCR) in some CDB activities (OCR 3.8%, EIB 1.8%). Green Climate Fund and Adaptation Fund are also potential funding resources; although their proposal requirements are considered onerous.

5.31 Given this changing funding landscape, there are opportunities to generate closer linkages between DRM and Climate Resilience and Adaptation, to enable both to benefit from expected broader funding opportunities. Among BMCs, there is some optimism that new possibilities are opening up with regard to climate change, such as the Green Climate Fund and the Adaptation Fund and that CDB could play an important role in enabling BMCs to access these. In many cases, the issues to be addressed under these climate related funds have substantial overlap with disaster resilience, both of rapid and slow onset disasters.

5.32 Some long-term changes currently in process have the capacity to become slow-onset disasters, if not addressed through appropriate interventions. For example, land use planning, erosion management and careful control of water use in agriculture may reduce the prevalence and effects of drought. These effects can lead to disaster through their connections to food insecurity associated with both crop and livestock production. Drought preparedness and mitigation can be supported through improved prediction, monitoring, impact assessment and response. Such climate resilience and adaptation approaches, which can contribute towards disaster preparedness, should be an easy issue for countries to buy in to, since their farmers are already well aware of the effects of the changing climate. In these and other areas, CDB staff identified a need for clearer linkages between Climate Resilience and DRM perspectives. Although the DiMSOG mentions such linkages in passing, they drop out of view from the detailed guidelines sections.

5.33 In terms of infrastructure portfolios, some CDB staff see the CRS as long term, with an indirect relationship to developing investment programmes with BMCs. DiMSOG is understood to largely cover the short term natural hazard events, which may happen within the longer term Climate Resilience picture. Since these hazard events are likely to occur, or have already occurred, it is possible to take clear steps to deal with them. The DRM and CRS Strategies therefore overlap in some areas and could, for example, have some sections of common text, covering such areas as their effects on social inclusion and vulnerability.

5.34 Stakeholders in BMCs reported some progress in relating DRM to Climate Resilience. For example, one country noted that its earlier DRM (infrastructure) loans took no account of anticipated effects of Climate Change on hydrology. However, experience of implementing CDB-funded projects over time has influenced Government to include this critical element in its new approaches. In this country, progress has also been made in including Climate Change aspects in the Planning Act, as well as in the National Physical Development Strategy. Several countries have also engaged in the interaction between Climate Resilience and Coastal Zone Management, taking account of technical analysis and advice from CDB.

5.35 The evaluation notes significant progress with regard to the incorporation of Climate Resilience into the Bank's work, including the interconnections with DRM. However, a review of a draft update to the CR Strategy<sup>38</sup> showed that it has minimal content on how the interconnections between CR and DRM will be addressed or operationalized by CDB. This is a serious omission, with potentially strong negative effects on how the Bank and its BMCs will maximize the use of limited funds and resources to generate resilience to climate-related disaster events in the region. Another key factor warranting serious consideration is that mainstreaming of approaches and measures to address these issues depends on the increasing availability of specialist staff in both areas and it is not clear that this need has been adequately considered.

### **DiMSOG Portfolio and Results Information**

5.36 CDB internal stakeholders have acknowledged that results management for DIMSOG is weak, although they also report that it is getting better. The Evaluation Indicators for DiMSOG have a substantial emphasis on proactive measures. This is particularly the case for Outcome 1: "BMCs less vulnerable to natural disasters and climate change impact". The output associated with this is: "risk reduction measures strengthened and implemented in BMCs". Under Outcome 1 with regard to post-disaster response, there are two outputs to be measured: number of RRLs with specific risk reduction measures and number of ERGs and IRLs disbursed. The indicators are primarily input or output-based; and it is not clear how they could contribute to an analysis of progress towards Outcome 1.

5.37 A review of available PCRs for RRLs (from the PCVR exercise analysed in Section 4.3 above) shows that detailed results information is presented and assessed for rate and quality of infrastructure implementation. However, the intended social and economic effects, such as "social and productive activities fully restored" are simply stated to have been achieved, with no evidence. PCRs of RRLs also do not specifically address the extent to which risk reduction measures have been successfully achieved, other than through completing the financed infrastructure.

5.38 Given the limitations of data provided for the outcomes of individual loans, there is currently no possibility of tracking cumulative progress towards the DiMSOG Outcome 1. This is particularly the case with regard to proactive approaches, which feature strongly in the Evaluation Indicators, but which form a small part of the portfolio funded.

5.39 An underlying issue is that most relevant data sets in the region (on disasters and more broadly) are weak. Some feel that CDB should take the lead on Caribbean specific data, in collaboration with other Development Banks. There is a great need to build country data gathering and management capacity and it is reported that a Canadian Regional Capacity Building in Statistics (\$19.7 M) Project is intended to contribute to this challenge<sup>39</sup>.

### **Communications and Training**

5.40 With regard to disaster response, some CDB stakeholders indicated that, while Bank staff may have some knowledge of DIMSOG, many in BMCs are not aware until they are impacted by a disaster and it is then a sudden learning curve. Some external stakeholders proposed that CDB and CDEMA hold more workshops to provide National Disaster Offices and Ministries of Finance with training on DIMSOG. As the immediate responders, NDOs in BMCs should be well prepared and know what assistance they might receive through DIMSOG, as well as procedures to access this. Although NDOs often participate in training or regional events with CDEMA, the opportunity has not been taken to systematically link these to CDB-related training.

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<sup>38</sup> Discussion Paper: Draft Climate Resilience Strategy. 2018 – 2023. CDB. 2018.

<sup>39</sup> CDB is on the steering committee of this project.

5.41 CDB staff have multiple responsibilities, many of which have associated guidelines, strategies and/or policies. This presents a high workload, which makes it difficult to be fully informed on all of them all of the time. Also, new issues arise, such as how to deal with the private sector and support to utilities under DIMSOG funding. Staff suggest refresher courses on DiMSOG (and other Strategies), to outline what it does and does not cover. Additionally, online training would be useful, since time to attend courses is limited. There could also be a Handbook as a first call and then a DiMSOG expert who can be contacted for additional information. There needs to be a clear point of contact in the Bank, who can help with new or challenging issues related to the Strategy.

5.42 As well as information on how to apply the “nuts and bolts” of DiMSOG, many staff would appreciate clearer guidance on its strategic element. What does the Bank expect to achieve with DiMSOG and how can it be embedded in overall CDB operations?

5.43 Among external stakeholders, it was suggested that CDB could build on the disaster experiences of 2017 to raise awareness among Heads of State of the need to build a national disaster resilience culture. The Bank’s 2018 Annual Meeting which adopted “resilience” as its theme was a good start in this direction. At the same time, it could emphasize funds the Bank has available to support this transformation.

5.44 Overall, areas which BMC stakeholders indicated CDB needs to emphasise in enhanced communication activities include:

- a) Availability of grant funding
- b) Training to build resilient infrastructure
- c) Building<sup>40</sup> and settlement location standards
- d) Raising capacity in such fields as procurement and contract management – which greatly affect DRM<sup>41</sup>
- e) Promoting community sustainability - encourage efforts to raise the quality of existing settlements.

5.45 Among BMCs, there is a perception that the Bank’s unique body of experience in the region should provide a platform to enable it to function as one of the region’s knowledge hubs. In this respect, its experience of supporting implementation of RRLs valued at more than \$280 million is particularly relevant for BMCs seeking to embrace concepts of “building back better” and to ensuring that new infrastructure will be resilient to future hazards. However, the Bank has not yet made this a key element of its work. The evaluation notes that, while CDB could undoubtedly play this role, this would depend on enabling its specialist staff to have time to devote to recording, analyzing and publicizing the Bank’s experience in implementing DiMSOG and other DRM and Climate Resilience activities. It currently appears that such space is limited and that knowledge sharing is not a high priority.

### **National Responsibility and Preparedness**

5.46 Concessional donor resources no longer show growth in the Caribbean, in light of relatively high per capita income. So government policies must do much better at allocating national resources to raise resilience and preparedness, particularly for the poor and vulnerable. Within the available external funding relating to DRM, many staff see a need for CDB and other bodies to look at new modalities to get resources to countries, while encouraging them to build their own national resilience. Instruments such as PBLs

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<sup>40</sup> Including through efforts to push forward with CUBIC, which has experienced revived interest in the light of the 2017 hurricanes.

<sup>41</sup> In June 2018 CDB, jointly with WB and CDEMA, held a workshop for BMCs on procurement in emergency situations; <http://www.caribank.org/news/cdb-world-bank-partner-to-increase-disaster-resilience-through-improved-procurement>

(including those triggered by Exogenous Shock) are seen as potentially highly valuable additions, since they encourage countries to move towards their own national level systems of disaster resilience. If a country is found to have sound economic, fiscal and social policies in place, it may qualify for a PBL. In the case of an Exogenous Shock PBL, the Bank may extend such a loan in “recognition that some extant vulnerabilities may have been exposed by the shock and addressing these can form the basis of support by the loan<sup>42</sup>”.

5.47 Although loan and grant funds will continue to be available to respond to disasters, it is highly unlikely that these will be sufficient to provide an adequate response on their own. Attention among Bank staff is therefore focusing on how countries can be encouraged to take the major burden themselves, through the creation and management of national emergency funds, together with adequate CCRIF insurance.

5.48 An important initiative aimed at building resilience, which has been taken by some countries is the establishment of public funds to improve the low cost housing stock. In some cases, Governments have partnered with national banks to offer low interest loans to make houses more resilient, often through retrofitting measures to help them withstand extreme events. Such a scheme in Barbados achieved 100% repayment, before the host bank was taken over by another, which has not picked up the scheme. In British Virgin Islands a fund totaling \$30m was established by Government to help with post-disaster housing rehabilitation. This classifies people according to vulnerability and has some grant funds for those identified as poor. Middle income house owners are helped to get low interest loans from banks.

5.49 While it is undoubtedly difficult for small economies to move from substantial debt to create surplus for a disaster contingency fund, many CDB staff see this as the most viable way forward. They suggest that CDB should therefore be a leading and consistent advocate influencing and helping BMCs to place their own resources at the centre of disaster resiliency. External funds, such as those from CDB, should move to a supporting role, rather than being central to DRM. Disaster-related damage across the region has been estimated at an average of about 2% of its annual GDP. Such averages conceal the huge differences among individual BMCs and between periods. Whilst some countries have had virtually their entire annual GDP wiped out by specific events, others have not experienced any major disaster for many years. These periods present countries with the opportunity to invest in their own disaster resilience. If consistently supported, a combination of national contingency funding, plus CCRIF and other insurance schemes could go a long way towards meeting the costs from catastrophic events. As an example, Turks and Caicos established a Sovereign Wealth Fund, which has already become a sizable resource in place to help meet any disaster damage. Other BMCs reported that they have begun to implement, or have seriously considered the possibility of a National Disaster Contingency Fund, particularly after the major impacts of the 2017 events. Challenges have included the availability of fiscal space and the time it would take to become a viable reserve.

5.50 An important area for improvement at country level noted by the evaluation is that of coherence among international funders; including CDB, the World Bank, IDB, CCRIF, Canada, DFID and the EU. For example, St. Lucia conducted an exercise with the World Bank to look at how to build resilience, particularly in infrastructure, to withstand increasing damage. It now has a major Disaster Vulnerability Reduction Project (\$75M) on concessional terms (IDA grant and others). The IMF also conducted an assessment of St. Lucia’s policies, exploring how they provide for disasters and how they account for disaster expenditure and their effect on how debt will perform. At the same time St Lucia has high levels of CCRIF cover and a major UK CIF project (operating under the CDB umbrella). The multiple approaches in St. Lucia do not appear to be closely coordinated, although the possibilities for the total set of financial

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<sup>42</sup> Economic Stability and Resilience Building Policy-Based Loan, British Virgin Islands. CBD. 2018. P14.

assistance to make a major difference to disaster resilience appear strong. In view of CDB's widely perceived comparative advantage as a development partner in the region, stakeholders in BMCs suggested that it could play a more influential role with Governments in coordinating disaster-related funding.

### **Range of National Level Participation**

5.51 A striking feature of the DiMSOG portfolio, as reported by many BMC stakeholders, is the extent to which potentially relevant bodies, such as NDOs and Ministries dealing with communities, equity, etc., are substantially disconnected from it.

5.52 CDB's interlocutor is the Ministry of Finance, which often has a narrow range of national partners it considers with regard to disasters. Attention appears to focus particularly on reinstating "economic infrastructure" and on relatively large projects. Even large loans, including PBLs, may be developed with little interaction between the Ministry of Finance and the range of relevant Ministries and Departments, which could lead to comprehensive disaster resilience approaches. The only influence these other bodies may be able to exert comes through personal contacts in CDB, who may raise the potential contribution of these national stakeholders with the Ministry of Finance.

5.53 This situation is viewed from widely differing perspectives. Some Ministry of Finance stakeholders (whose Ministry has responsibility for public debt) do not believe that other Ministries or Departments should have direct contact with CDB. This was characterised by one such respondent as "a recipe for disaster". On the other hand, those in a broad range of other institutions feel that Finance is not in a position to identify the true priorities with regard to disaster resilience or response and that it does not necessarily choose the interventions that are most needed by the country. Ministries and other bodies, which would be responsible for encouraging changes in human behaviour (such as appropriate house location and quality, protection of drainage systems at community level) that could generate significant improvements in disaster resilience, are reported to be of lower priority in most Ministries of Finance's view of key areas for funding.

5.52 Stakeholders, Departments, Offices and Ministries in non-financial sectors expressed the need to be able to discuss potential support from CDB, rather than waiting for an invitation from the Ministry of Finance. Outside Ministries of Finance and those dealing with "economic infrastructure," there is a feeling that CDB has so far played little or no role in creating resilience where it is most needed; at community levels. In many BMCs, outside of the world of high profile infrastructure rehabilitation, many aspects of resilience are in steady decline. More settlements of low quality houses are added in locations known to be vulnerable to winds and floods. Private houses are built on unstable hillsides and then Government is asked to provide expensive retaining walls to mitigate landslides and damage to properties. Drainage systems installed using CDB and Government funds are steadily clogged with rubbish and debris, to the point that they cannot fulfill their function effectively when emergency strikes. Overall, a major challenge facing CDB in proactive disaster resilience is to find how to leverage its assistance to help inform and influence governments to undertake necessary preventative steps, including continuous maintenance and monitoring of systems so that when "hydro-meteorological" events strike, the damage they cause is manageable.

### **Challenges with Planning and Building Regulations and Codes**

5.54 In many BMCs, governments struggle to prevent people from building on vulnerable sites. Even where there is in principle legislation for enforcement and removal of illegal structures, it is often impossible to implement this for political reasons. When people are removed they often return very quickly. Nevertheless, one country did refer to successful relocation of communities on sloping land regularly affected by flooding.

5.55 It is not unusual in the region for planning regulations to remain pending or under revision for decades. There is understandable reluctance at political level to introduce such legislation, which could be seen as adversely affecting poor and vulnerable people. However, in view of the predicted increased frequency and severity of weather events, the possibilities for enhanced regulations with appropriate support packages for those affected should be considered in future CDB assessments, including in Country Poverty Assessments.

5.56 Issues relating to building quality and regulations are similar to those of settlement planning. Big developers have the capacity to ensure that all requirements are met. In any case, they need competent contractors and good site supervision to meet their financing and insurance obligations. But for ordinary citizens, house construction often entails poor plans, sub-standard construction and no monitoring. In some countries, there is also no process of licensing architects, engineers or contractors and no entity for licensing these professionals. Effectively, few or no standards are applied.

5.57 The intended building standards outlined in CUBIC<sup>43</sup> decades ago were never completed and gained no traction among countries of the region. Nevertheless, some countries reported improvements in basic building practices through training courses for small scale builders, introducing new techniques, materials and site management practices; which are said to have led to better buildings with little or no cost increases.

5.58 In view of the severity of weather events in 2017, countries in the region appear, as evidenced by discussions with this evaluation and substantial media coverage, to have been given a “wake up call” on the importance both of building standards and of settlement and other building location. The Bank has again picked up on this issue through support for a proposed regional workshop on Caribbean Building Standards. Donors and their partners are also highlighting the need for action. For example, the project Smart Health Care Facilities in the Caribbean, Phase 2<sup>44</sup> has a substantial emphasis on the appropriate location of hospitals and on the resilience of their design and building quality standards. One approach it has suggested to address these issues is through creation of a design supplement specifically for hospitals within agreed regional building codes.

5.59 The evaluation team sees the factors mentioned above as a strong incentive and opportunity to revisit the Bank’s work and contribution with regard to the issue of building standards and physical planning as key tools for resilience, related both to climate and to other potential hazards in the region.

### **Innovation and Regional Collaboration**

5.60 CDB was not described by BMC stakeholders contacted as a very innovative player with regard to DRM. For example, the World Bank was viewed as more innovative, with such products as its Catastrophe Deferred Draw-Down Option. Under this, once in-country arrangements for a suitable DRM framework are in place, funds can be made available for release in a possible emergency. St Lucia has recently negotiated with the World Bank to take advantage of this facility. Also in St. Lucia the National Insurance Corporation has been supported by the German Government, through the establishment of a Livelihood Protection Policy scheme for small and medium businesses. Whilst it may be true that other international bodies have produced innovations, the evaluation also notes that CDB has been flexible and timely in its support to countries through tailored-made loan packages, including multi-sectoral RRLs and Policy Based Loans.

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<sup>43</sup> The document, *Caribbean Uniform Building Code, Part 1, Administration and Enforcement of the Code*, was published by the CARICIM Secretariat in 1985, but the code has still not been adopted by countries in the region.

<sup>44</sup> Funded by DFID and implemented by PAHO.

5.61 Stakeholders in regional institutions reported CDB to be relatively inactive in promoting or funding DRM or CRS programmes at regional level. Some suggested that CDB should be more prominent in discussions around the Climate Smart Coalition and other high level conversations about resilience in the region. However, the evaluation notes that, given its relatively limited human resources, CDB may be wise to reserve its efforts until such new initiatives have clearly demonstrated what contributions they will make to assisting countries in the region.

5.62 One regional activity in which CDB participates is the Natural Disaster Risk Management (NDRM) Programme. This is an initiative of the African, Caribbean and Pacific (ACP) Group of States, funded by the European Union (EU). It supports disaster risk reduction (DRR) and climate change adaptation (CCA) activities in the CARIFORUM countries. The EUR20 million five-year Programme, launched in July 2014, is being co-implemented by the Caribbean Disaster Emergency Management Agency (CDEMA), the Caribbean Development Bank (CDB) and the Government of the Dominican Republic. Funds from this programme have been provided to a number of national and regional activities related to DRR and CCA, including as a grant to Haiti, which is not covered by this evaluation. No final reports on expenditures under this programme were received.

### **CDB's Comparative Advantage**

5.63 Stakeholders in CDB BMCs perceive it to have a number of advantages as a development partner, when compared to other organizations in the field. Most of these are generic, rather than specific to the area of DRM. Positive aspects of the Bank's engagement in the region include:

- a) More so than any other organization, the CDB is seen as "one of us" by Governments in the region. It is a long term and reliable partner.
- b) Relationships with CDB staff are often good and helpful, particularly for those in place for a long time
- c) CDB tries to be flexible when countries report challenges that are delaying implementation
- d) CDB understands how countries operate and how variation among BMCs may lead to different priorities and performance.

5.64 CDB responds well and has been flexible when challenges are encountered, according to stakeholders in many BMC partner institutions. For example, where project delays due to contractor mismanagement have occurred, the Bank has been willing to extend the deadline for final disbursement. Dialogue between the Bank and implementing Ministries has worked well and necessary support has been provided.

5.65 CDB training is widely reported to be well-focused and informative. It is most useful before loan activities are started, so that all parties are aware of their obligations, particularly with regard to procurement and reporting. Main restrictions reported are that training is not seen by countries as regular enough and sometimes does not include all bodies which have an interest in working with CDB.

5.66 Stakeholders working in communities and in fields promoting equity and reduction of vulnerability have mentioned several advantages, including:

- a) The Bank's portfolio - for e.g. in poverty reduction - fits with Social Equity, which should be coordinated with DRM
- b) CDB knows the Region and "understands the landscape"
- c) It is flexible and reasonable - more so than some other development institutions.
- d) It has BNTF – could social resilience to disasters and climate change be built into this?

- e) It is strong in capacity building – which can be used to address DRM gaps.

5.67 A summary of the position reported by many BMC stakeholders is that, while many international partners are involved in the region, it is CDB which most consistently engages with countries. Each country is part of the Bank. It understands what BMCs have in common and in what ways they are different; nuances which are often unknown to partners from outside the region. A country can have dialogue with CDB all the time and once a country has explained why issues have arisen, CDB tries to be flexible. CDB's readiness to help makes it the most viable option in many circumstances.

5.68 Disaster affected countries reported that after a disaster they are overwhelmed by outside agencies, but CDB is the most lasting and consistent partner. Because of the relatively high GDP of some BMCs, even with a crippling disaster they do not necessarily qualify for concessional assistance. CDB has a big advantage here as it makes strong efforts to help all of its BMCs, as far as its financial regulations allow. For example, in the case of the 2017 disasters, which struck several countries, it has been quick on the ground and responsive. A number of substantial loans were agreed rapidly, including through the use of innovative PBLs.

5.69 With regard specifically to DRM advantages, many stakeholders noted that CDB staff in this field have recently become very proactive and have participated in many meetings around the region to raise awareness of what support the Bank offers with regard to capacity building for disaster resilience.

## **6: LESSONS LEARNED**

### **Introduction**

6.01 A number of lessons have been drawn from the evidence presented above on how the DiMSOG has been implemented by CDB in cooperation with its partners. These are divided into three broad categories:

- a) Lessons on working with BMCs
- b) Lessons on CDB processes
- c) Lessons on the place of CDB in the regional DRM architecture.

6.02 These lessons are placed in the context of the Theory of Change derived by this evaluation from the DiMSOG Table 1: Summary Matrix for CDB's DRM Strategy.<sup>45</sup> Relating the evidence-based lessons to the examination of progress according to the Theory of Change provides additional considerations, which have been fed into the recommendations, provided in Chapter 7.

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<sup>45</sup> DiMSOG, Page 6

**LESSONS ON WORKING WITH BMCS**

<b>Finding</b>	<b>Lesson</b>
<p>1: DRM is discussed in many CSPs, but is rarely specifically included in the associated country programme resource envelope. Infrastructure projects, which often form the majority of the proposed programme, may have an unspecified connection to DRM, since they are intended to provide some level of resilience to disasters.</p> <p>Potential TA for capacity building, which also sometimes includes aspects relevant to DRM, is often not specific as to what will be supported, at what cost and who will benefit . An exception found in recent years is the Grenada CSP, which budgets for specific support in a number of DRM-relevant areas. Climate Resilience has received increased attention in CSPs over the evaluation period.</p>	<p><i>1: In CSPs, there is often a disconnect between the stated importance of DRM and the amount of proactive support allocated to it.</i></p> <p>This is despite the formal intention of the DiMSOG for CDB engagement both pre and post-disaster. Based on the evidence of CSPs and loans provided, CDB has primarily been a contributor to Disaster Response activities.</p>
<p>2: Under DiMSOG, CDB has operated a range of instruments, which have been assessed as broadly relevant to Disaster Response; namely the ERG, IRL and RRL. However, the relevance of all three categories has been found to be partial. In the case of ERGs, priority support needs defined by countries themselves have often proved ineligible for funding.</p> <p>IRLs have been primarily focused on road networks (e.g., NDM – IRL Tropical Storm Nicole, NDM –IRL Tropical Storm Otto, NDM-IRL Hurricane Tomas (SVG), NDM-IRL Hurricane Tomas (St. Lucia) and NDM – IRL Hurricane Sandy). Equally urgent post-disaster needs to revive households and communities have been largely excluded.</p> <p>RRLs have also focused heavily on infrastructure (e.g., NDM- RL – Hurricane Lenny, NDM – RL – Hurricane Dean Rehabilitation Works, NDM – RL Tropical Storm Gustav, Reformulated Project - Tropical Storm Nicole), rather than on the broad spectrum of socio-economic effects of disasters that fall under CDB’s poverty mandate.</p>	<p>2: Although broadly relevant to Disaster Response, <i>the three currently defined DiMSOG instruments as implemented have been overly-focused on infrastructure, and have offered little support to poverty-focused socio-economic recovery and rebuilding.</i></p>
<p>3: The currently defined DiMSOG instruments have little proactive content, apart from a stated but not well defined intention to “build back better”. They are responsive rather than proactive. Furthermore, the focus has largely been on infrastructure, although the concept of post-disaster rebuilding should apply more broadly to physical and social reconstruction.</p>	<p><i>3: The CDB instruments detailed in the DiMSOG are not sufficient to promote or support a proactive approach to Disaster Management at Country or Regional level.</i></p> <p>They are also overly focused on infrastructure, as opposed to broader community and social recovery needs.</p>
<p>4: The Bank’s growing range of expertise with regard to poverty, vulnerability, gender and raising community capacity has been largely ignored in its approach to DRM. The only relevant programme the CDRRF, is not specifically linked to DiMSOG or to national disaster management strategies and cannot fill the poverty-focus gap at the core of DiMSOG.</p>	<p><i>4: CDRRF, which operates in a field of great relevance to DiMSOG’s “proactive” intention, is not specifically linked to or incorporated into DiMSOG and is not yet geared to generate lessons to improve future policies and practices in this area.</i></p>

Finding	Lesson
<p>5: Changing circumstances in the region have placed the Bank in a position to refocus its approach to DRM into helping countries to build and strengthen their own proactive approaches.</p> <p>Emerging factors in this direction include:</p> <ul style="list-style-type: none"> <li>• Anticipated increase and severity of disaster effects related to climate change</li> <li>• Progressive reduction in external support related to declining donor funds and their movement away from Middle Income Countries</li> <li>• Innovative thinking and instruments enabling BMCs to help themselves: e.g., CCRIF, National Contingency Funds, commercial insurance products, housing rehabilitation funds</li> <li>• CDB loan products that can leverage changes in policies and practices of BMCs with regard to proactive DRM – e.g., PBLs (including for Exogenous Shock) and multi-sectoral RRLs.</li> </ul>	<p>5: <i>A revised DiMSOG should refocus its strategic intention onto proactive DRM, while retaining sufficient capacity for Disaster Response.</i></p> <p>Since many DiMSOG users both within and outside the Bank informed the evaluation that they currently refer only to the Operational Guidelines, the Bank should detail its proactive instruments for improved DRM in these Guidelines.</p>
<p>6: CDB’s primary interlocutor for negotiation of its programmes with BMCs is the Ministry of Finance. Stakeholders in a broad range of bodies in BMCs informed the evaluation that this has resulted in limitations on the range of DRM issues addressed. Ministries and non-government bodies dealing with poverty, social inclusion, and gender, including at community level, reported being unengaged and unaware of DRM discussions with CDB. They felt that their contribution to promoting disaster resilience had not been adequately considered or supported.</p>	<p>6: While recognizing the primary interlocutor role played by Ministries of Finance, <i>CDB should encourage BMCs to ensure that programming discussions include all key DRM players, particularly those who can engage with its mandated concerns with regard to poverty, vulnerability and gender.</i></p> <p>This will promote an approach, which can enable its support to appropriately address its poverty and social inclusion mandate, rather than overly focus on a limited range of economic infrastructure.</p> <p>Policy Based Loans seem particularly well suited to this approach, although it is also appropriate for RRLs, particularly to influence these towards a multi-sector approach.</p>
<p>7: Many countries have struggled to implement planning regulations to prohibit settlements on their most vulnerable land areas. They have also had difficulty defining and enforcing building standards. As a result, damage from weather events has often been far greater than it need be and shows a tendency to recur in areas known to be unsuitable for habitation. Recent disasters have triggered renewed interest among BMCs in these issues, which provides an opportunity for the Bank to revive its activities and support to strengthen regional and national approaches.</p>	<p>7: <i>Different levels of performance among countries with regard to settlement planning and building standards present an opportunity for CDB to build on its emerging work in urban and transport policies to further promote sharing of relatively successful approaches across the region.</i> Where appropriate, this could be done in collaboration with regional bodies with mandates covering these issues. It may also prove a fruitful area for support in PBLs and multi-sector RRLs.</p>
<p>8: Many external stakeholders feel that CDB does an inadequate job in communicating its range of DRM-related instruments and how BMCs can access them.</p>	<p>8: <i>CDB needs to review and strengthen the range and quality of its communication approaches,</i> particularly with regard to DRM, with the aim of ensuring greater coverage and understanding.</p>
<p>9: BMCs recognize CDB as a responsive and supportive partner that also offers valuable training, particularly on its business procedures and processes. However, contact opportunities are widely held to be insufficient due to apparent staff work overload at CDB. Some Bank operational staff reported to the evaluation that their workload gives insufficient time for project supervision.</p>	<p>9: Although this is not a DiMSOG-specific issue, <i>DRM activities are among those which seem particularly likely to benefit from flexibility to increase staff availability to match rapid increases in work load.</i> This is because disaster-related funding, which is often large and unexpected, may substantially alter the balance of work among BMCs and associated assistance and supervision needs.</p>

**LESSONS ON CDB PROCESSES**

<b>Finding</b>	<b>Lesson</b>
<p>10: BMC stakeholders reported substantial challenges with ERG administrative processes So much so that some countries reported that they make it “not worth the trouble” of applying.</p> <p>The use of CDEMA for administrative assistance has helped some countries. However, this still requires BMCs to document expenditures in a manner that can satisfy CDB reporting requirements, which is often not done.</p>	<p>10: The available \$200k grant could be a useful CDB contribution at the time of an emergency, provided that it is available immediately to cover those expenses deemed most urgent by those on the ground in BMCs. <i>Since immediate post disaster conditions and priorities vary between countries and specific emergencies, procedural flexibility should be an important consideration for ERGs. This might include broadening the scope of items eligible for support and of potential institutional partners for BMCs.</i></p>
<p>11: Three out of five completed IRLs rated by Project Completion Validation Reviews were found to have satisfactory efficiency, while two were marginally unsatisfactory.</p> <p>Other IRLs have experienced major challenges and some have over-run by two or more years. Stakeholders in BMCs and CDB reported a range of factors hindering efficient implementation. These have included:</p> <ul style="list-style-type: none"> <li>• BMC-perceived complexity of CDB procurement and accounting requirements</li> <li>• Slow national procurement processes</li> <li>• Low project management skills of local contractors.</li> </ul> <p>These challenges are substantive, since IRLs are in principle time-bound.</p>	<p>11: <i>In the light of the experience of some IRLs as prone to delays and complications, the instrument needs to be revised to allow inclusion of a broader range of activities, which meet immediate needs and can be quickly implemented. It should also be supported by specific training at start-up for BMC implementers.</i></p>
<p>12: Three completed RRLs formally rated by PCVRs varied in their efficiency from marginally unsatisfactory to very satisfactory.</p> <p>Discussions with stakeholders in BMCs and CDB covered completed and ongoing RRLs. These are reported to have varied in terms of efficiency of implementation, but some have been substantially delayed.</p> <p>Completed and formally rated RRLs have delivered effective results within their defined range of tasks. There has been a substantial concentration on “economic infrastructure,” leaving social reconstruction and rehabilitation needs largely untouched.</p> <p>Some RRLs are multi-sectoral and have the capacity to address inter-linked dimensions including DRR.</p>	<p>12: <i>RRLs have proved a viable instrument. However, they are often narrowly focused on infrastructure.</i></p> <p>To address this shortcoming, there should be a sustained move towards more widely focused RRLs that can make a stronger contribution to CDB’s poverty reduction mandate. Such multi-sectoral RRLs can build on key CDB products such as Country Poverty Assessments, Vulnerability Analysis, etc., to address social development processes necessary for DRM. However, they are more complex to manage than infrastructure projects, which form the mainstay of the RRL portfolio.</p>
<p>13: PBLs are at an early stage of implementation in the DRM field. Their loan characteristics were reported by a range of stakeholders to make them a significant advance on other loan instruments. BMCs particularly value their rapid disbursement and simple reporting requirements. Some in CDB value the possibility they offer to include requirements on stronger national DRM approaches as qualifying conditions.</p>	<p>13: <i>Since PBLs offer early disbursement with limited reporting requirements and may impose pre-conditions in terms of disaster preparedness, they are seen as a valuable addition to RRLs, with greater possibilities to enhance a pro-active approach to DRM.</i> However, CDB would need to develop a consistent approach to DRM prior actions to ensure that PBLs become a coherent instrument in favour of pro-active approaches to DRM.</p>
<p>14: The response-driven approach runs into difficulties when disasters are unusually concentrated. With 2017 events, the Bank has already utilised most of the SDF set-asides for this purpose.</p>	<p>14: <i>In view of the potential increase in regularity and magnitude of weather-related events, CDB needs to explore what measures it can take to raise greater DRM specific funding; to avoid unduly draining the SDF, thereby compromising its broader concessional development funding intent.</i></p>

**LESSONS ON THE PLACE OF CDB IN THE REGIONAL DRM AND CR ARCHITECTURE**

<b>Finding</b>	<b>Lesson</b>
<p>15: The growing number of climate-related funds from such sources as the EIB Climate Action Line, Adaptation Fund and Green Climate Fund offers potential for financing interventions that contribute to proactive DRM.</p> <p>The draft revised CRS is neither explicit nor detailed concerning the relationship between CR and DRM and would greatly benefit from specific inputs on these areas.</p>	<p>15: <i>CDB needs to develop a clear narrative and approach to the relationship between Climate Resilience and DRM, including their overlapping elements.</i> The missing discussion of this relationship in the draft of the next CRS raises concerns on the extent to which the Bank intends to be proactive in this important area.</p> <p>The Bank’s approach should illustrate the complementary and mutually supportive nature of funding from both streams, and be referenced in both the DRM and CR strategies. This could form a good conceptual basis from which CDB could facilitate funding to BMCs to address both CR and DRM.</p>
<p>16: The evaluation found it difficult to accurately assess the CDB’s contribution to DRM through the DiMSOG portfolio; or of the Bank’s contribution within the overall regional DRM architecture. The evaluation found that DiMSOG has weak evaluation indicators, focused on inputs and outputs. PCRs do not specifically report against the DiMSOG indicators and there is no accessible analysis of the cumulative progress of the “DiMSOG portfolio.” Regional datasets, which could provide useful context to country progress, are also widely acknowledged to be unreliable and incomplete. Various projects are active in the region to improve data collection, management and analysis; but their outputs are not yet available.</p>	<p>16: <i>There is scope for improvement in portfolio tracking and reporting, and results management, of DiMSOG investments.</i></p> <p>For an updated DiMSOG, evaluation indicators should be developed and tracked, which can provide evidence concerning progress towards its specified outcomes. This would require PCRs, which explicitly focus on outputs and progress towards outcomes of the DiMSOG evaluation indicators, feeding into systematic analysis of overall achievements under DiMSOG,</p>
<p>17: There is a widely held view among stakeholders, including in the disaster management community, that CDB has a unique role among international institutions in the region. This is built on its ownership, presence, and in-depth understanding of national and regional contexts. It is seen as an “insider,” which is in constant dialogue with its BMCs and recognizes their ongoing need for technical and financial support.</p>	<p>17: <i>CDB has a comparative advantage over other agencies active in the region, even when they may bring more funds to address specific issues.</i> This relationship gives it the opportunity to consistently exert influence to persuade BMCs to take proactive measures to raise their own resilience against the effects of disasters.</p>

## Lessons from Testing the Theory of Change of DiMSOG

6.03 The 2009 DiMSOG did not set out an explicit Theory of Change defining the causal pathways and assumptions for how the strategy was intended to work. Nonetheless, the “Summary Matrix for CDB’s DRM Strategy,” an annex to the DiMSOG, has been used by the evaluators to reconstruct an outline Theory of Change for DiMSOG, presented as Figure 1 below. As with all Theory of Change diagrams, particularly those for complex strategies, this greatly simplifies the interactions among elements, as well as the feedback loops and iterations. The assumptions listed underlie all elements and linkages of the theory and are therefore not explicitly marked as linked to each, to avoid excessive complexity.

6.04 Progress along the results pathway outlined in the reconstructed Theory of Change has been assessed, drawing on the evidence presented in Chapters 4 and 5 and the lessons outlined in Chapter 6. This is presented below.

6.05 The long term intended DiMSOG impact on poverty reduction, and medium-term objective of reduced burdens caused by natural hazards and climate change, are beyond the timeframe of this evaluation. Outputs are to a greater extent under CDB’s control (although many other parties also need to perform as anticipated) and some progress would be expected since DiMSOG became effective in 2009.

6.06 This expected progress on DiMSOG deliverables was predicated on a number of implicit assumptions in the strategy document. These assumptions have been made explicit in the reconstructed Theory of Change, and the extent to which they held up in implementation have been tested against evidence.

6.07 Evidence presented in Chapter 5 suggests that most of the assumptions did not hold. Since this was the case, progress towards the intended long-term outcome and impact objectives has so far been slight. This is particularly so as most of the DiMSOG funds have been so far been spent on disaster response rather than strengthened resilience. Moving forward, different assumptions are therefore needed and greater attention should be paid to what CDB can do to reduce risks to the effectiveness of its overall DRM portfolio. From this perspective, CDB’s DRM work should be built on the following assumptions:

- a) Disasters are likely to become increasingly frequent and severe
- b) Donor funding will continue to decline, with occasional spikes in response to specific events
- c) Major efforts will be needed to achieve greater donor coherence on DRM, to maximize the benefits of limited funding and support
- d) CDB will need to implement coherent strategies for DRM and Climate Resilience to maximize use of funds which can benefit both areas. In accordance with the Sendai Framework,<sup>46</sup> the two strategies should be brought together “within the context of sustainable development and poverty reduction,” which are key areas of the Bank’s mandate
- e) BMCs will need to be much more proactive in designing and funding their own disaster resilience strategies
- f) CDB Country Strategies and activities would therefore need to emphasise and support the promotion of resilience and move away from a reactive towards a proactive approach within the BMCs<sup>47</sup>

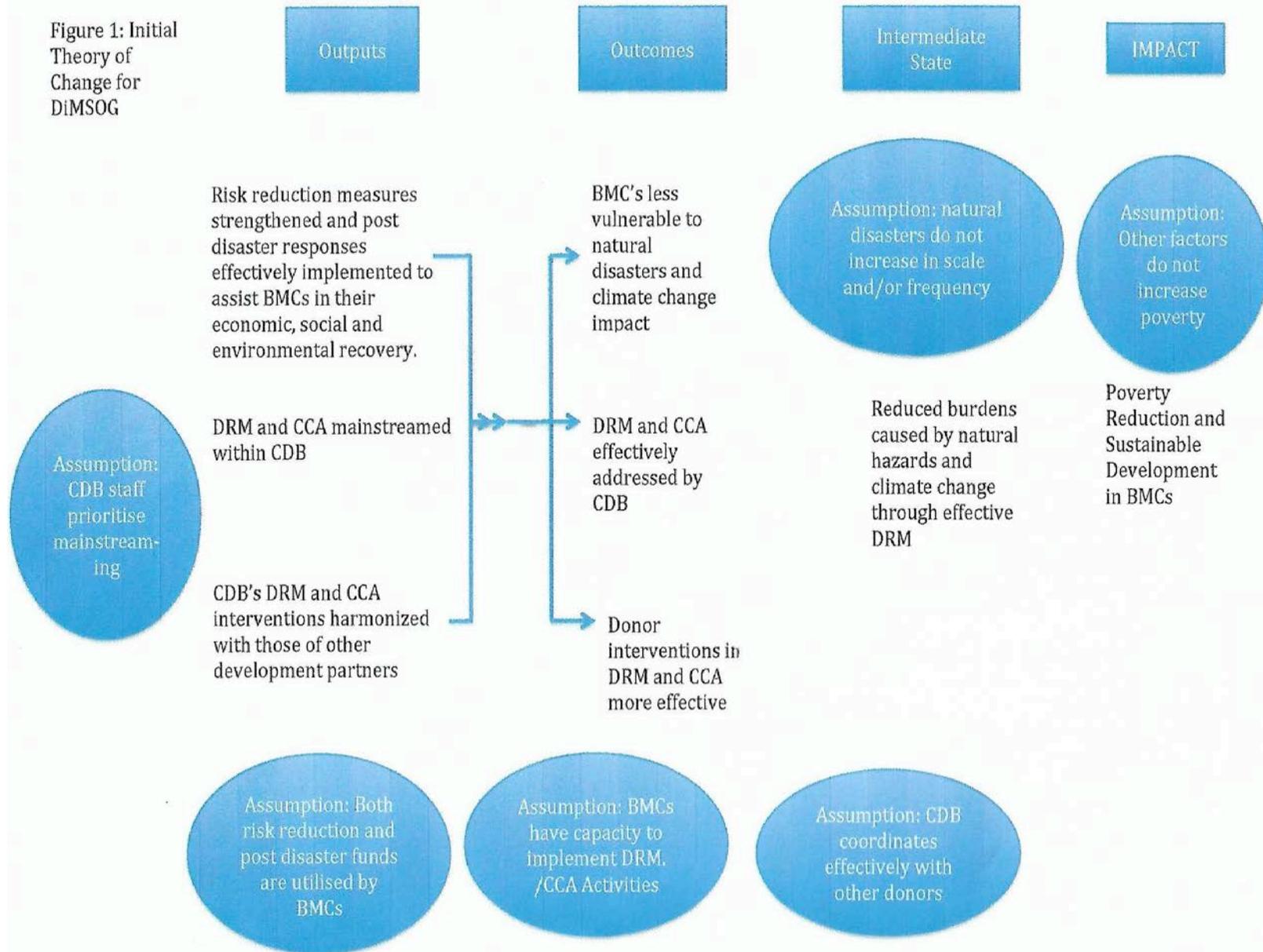
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<sup>46</sup> Sendai Framework for Disaster Risk Reduction 2015 – 2030, Section 1, Paragraph 2.

<sup>47</sup> This would also support the regional Comprehensive Disaster Management Strategy, which is facilitated by CDEMA.

- g) CDB will need to actively recognize and support the key role which regional institutions play in DRM, in view of the impracticality of extensive specialist capacity in individual BMCs
- h) As DRM and Climate Resilience increase in importance in the region, CDB staffing in these areas will need to be in keeping with heightened demands.

Figure 1: Initial Theory of Change for DiMSOG



**ASSESSING PROGRESS ALONG THE CONSTRUCTED THEORY OF CHANGE FOR DIMSOG**

<b>Theory of Change Component</b>	<b>Assessment of Progress</b>
<b>Outputs</b>	
Risk reduction measures strengthened and post disaster responses effectively implemented to assist BMCs in their economic, social and environmental recovery.	A number of post disaster responses have been implemented through RRLs. with varying degrees of effectiveness. Implementation delays have presented substantial challenges.  There is little evidence of major progress in risk reduction measures.
DRM and CCA <sup>48</sup> mainstreamed within CDB.	DiMSOG is mainly used within (and outside) CDB as a set of Operational Guidelines for its three post-disaster financing instruments. One direct means of mainstreaming would be through Country Strategies. Although CSPs often discuss DRM, sometimes within the context of CC, there are few good examples of active incorporation of DRM within intended funding envelopes. CC Adaptation/Resilience is also referred to, but rarely effectively built into intended programmes of activities.
CDB's DRM and CCA interventions harmonized with those of other development partners.	There are examples of coalitions of donors with common interests supporting specific activities related to DRM. However, there are also instances of overlap, duplication and contradictory approaches. There is no evidence of increasing harmonization.
<b>Outcomes</b>	
BMCs less vulnerable to natural disasters and CC impact. DRM and CCA effectively addressed by CDB. Donor interventions in DRM and CCA more effective	Since DiMSOG commenced in 2009 and covers 19 countries, it is too early to expect substantial progress towards its outcomes. Furthermore, since there is no structured mechanism for tracking progress against the Evaluation Indicators presented as Appendix 1 of DiMSOG, it is not possible to give a detailed summary of progress. However, the weak achievements at output level, reported immediately above, gives cause for concern that there are substantial challenges to progress.
<b>Assumptions<sup>49</sup>.</b>	
CDB Staff prioritise mainstreaming DRM	<b>Assessment of Progress</b> This is not yet achieved and faces severe challenges, since CDB has many priorities but relatively few staff.
Both risk reduction and post disaster funds are utilised by BMCs	BMCs have generally not been willing to take loans for risk reduction.
BMCs have capacity to implement DRM/CCA activities	Most BMCs have substantial capacity limitations, even for regular government programmes, which are exacerbated by post-disaster situations. A common approach to overcome these is the creation of special project units; but these have negative implications for the regular government institutions.
CDB coordinates effectively with other donors	CDB coordinates with a number of donor partners for specific collaborative activities, but overall donor coordination is not effective.
Natural disasters do not increase in scale or frequency	Disasters seem to be increasing in scale and severity and this is predicted by CC models.
Other factors do not increase poverty	No hard data, but among other factors, fiscal and debt constraints may limit BMC capacity to address poverty reduction or to take advantage of the investment facilities the bank offers.

<sup>48</sup> The DiMSOG Summary Matrix refers to adaptation rather than resilience.

<sup>49</sup> These have been interpreted as assumptions underlying the Summary Matrix of DiMSOG

## 7. RECOMMENDATIONS<sup>50</sup>

### Recommendations on DRM-related Strategy and Programming

**Recommendation 1: A revised DiMSOG should take account of heightened regional experience and awareness of disasters and of the scarcity of external funding to help address these. It should contain an explicit strategy for the Bank’s support to proactive approaches to DRM at national and regional levels, together with a coherent and actionable approach to funding this strategy.**

The revised DiMSOG should emphasize CDB’s range of financial support packages to enable countries to take maximum proactive responsibility for their own DRM. This is necessary in view of the predicted increased frequency and magnitude of climate sensitive hazard events and relatively low level of donor support for the region<sup>51</sup>. Key aspects of national responsibility could include commencement of or contribution towards national disaster contingency funds, appropriate CCRIF coverage, ensuring that NDOs have the resources and capacity they need and supporting the development of community level resilience. These elements are all in keeping with the Regional Comprehensive Disaster Management Strategy. In this regard, national governments should also ensure that they meet their responsibilities towards the regional bodies, which assist in raising national capacity and in disaster response. Actions taken to strengthen national capacities in these areas could all be potential areas of CDB support under DiMSOG and could inform prior action requirements associated with PBLs.

**Recommendation 2: In order to promote pro-active BMC approaches to DRM under a revised DiMSOG, CDB should strengthen its efforts to obtain concessional financing for this purpose.**

Documentary evidence of limited BMC take up of the intended pro-active approaches under DiMSOG, reinforced by stated experiences of country stakeholders and CDB staff, all emphasize that countries are reluctant to borrow money to strengthen their capacity with regard to DRM, including Disaster Risk Reduction. Furthermore, there are grant-funding options, such as the World Bank’s GFDRR, which are available to countries for DRR, which are more attractive than CDB’s loan funding. Any new concessional funds could also play an important role in reducing possible stress on SDF set-asides for DRM, which have been heavily utilised in response to the major disasters of 2017.

**Recommendation 3: CDB should ensure that both the revised DiMSOG and the new CRS promote approaches to maximizing benefits that are common to climate resilience and DRM activities.**

CDB has an important role in helping BMCs access the increasing range and volume of funding sources for climate resilience and adaptation, many of which are grants or loans at concessional rates. Climate Resilience interventions can often also produce benefits for DRM and vice versa, and CDB should actively seek to maximize such complementarity. An updated CRS can speak to the intended future relationship between CR and DRM. This is in keeping with Priorities stated in the Hyogo and Sendai Frameworks for Action, which aim to reduce underlying risk factors relating to climate change and variability, and to promote the integration of risk reduction associated with existing climate variability and future climate change into strategies for the reduction of disaster risk and adaptation to climate change. Approaches which CDB could support include:

- the integration of adaptation into national Disaster Risk Reduction frameworks
- the integration of Disaster Risk Reduction into adaptation strategies

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<sup>50</sup> The relationship between findings, lessons and recommendations is not linear. Whilst some lessons do not trigger recommendations, in other cases two or more lessons may contribute towards development of one recommendation.

<sup>51</sup> Although DiMSOG includes a broad range of potential disaster events, it is the recent increase in “hydro-meteorological events,” which places particular emphasis on the need for BMCs to maximize their own preparedness measures.

- the development of joint action plans between national institutions responsible for climate change adaptation and disaster resilience
- preparation and adoption of national resilience strategies that integrate climate risk and development concerns.

Promising examples of more integrated approaches noted by this evaluation include the Country Strategy Paper for Saint Vincent and the Grenadines (2014 – 2018) at CSP level and the Haiti Ile a Vache project in support of Building Capacity for Disaster Risk Management and Climate Resilience.

### **Recommendations on CDB DRM-related instruments**

**Recommendation 4: ERGs should be simplified through a revised list of eligible items, a wider range of potential implementing agencies and stronger participation of NDOs in administering funds at country level.**

ERGs have a poor record of financial reporting, which has meant that some are complete but cannot be formally closed, others have returned funds to CDB for lack of receipts and some countries have not taken up potential ERG support at all. Accounting for expenditures is said to be the major challenge for this grant instrument, although similar funds provided by other international bodies appear to obtain such reporting with few challenges. To simplify CDB processes, it is proposed that within the list of eligible items, a small amount (e.g., up to \$50,000) should be available for humanitarian items without special approval and that other bodies with demonstrated experience of immediate support activities, such as PAHO, should be added to the existing three implementation options for participation only when requirements match their specific expertise. Where a BMC chooses to implement the ERG itself, this should be done through its NDO, which should have the training and human resources to undertake this task as one of its routine responsibilities. Where the NDO requests external support, this should draw on the Regional Response Mechanism coordinated by CDEMA.

**Recommendation 5: The limit for IRLs should be raised<sup>52</sup> to allow for a greater scope of immediate response work to be completed, while any potential RRL or other instrument is under negotiation. The range of items eligible for funding from IRLs should be expanded to include some immediate social needs, including psycho-social support and temporary repairs to make houses habitable.**

While some IRLs have been completed as planned, others have carried on well beyond their intended duration. Although financial accountability is intended to be provided by a consultant selected by CDB, this has not always led to satisfactory reporting. The current emphasis within the list of eligible IRL activities on construction seems to have been one factor promoting delays, caused by design, procurement and financial reconciliation processes. Clean up activities seem to have usually been completed expeditiously, but receipts for this work have not always been forthcoming. In some cases, CDB has allowed an extension, while in others money has been sent back and the IRL has not been completed. At country level, agencies working with communities report considerable psycho-social distress, as well as an inability to undertake basic repairs to make houses habitable before full refurbishment can be undertaken. In anticipation of the approval and administration of the IRL, the relevant country coordinating agency should receive specific training from CDB on the reporting requirements, which should be enforced by the Bank to protect the viability of IRL as a short-term funding instrument.

**Recommendation 6: In its negotiations with BMCs for RRLs, CDB should emphasize to Ministries of Finance the importance of engaging with a broad range of partners, including the National**

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<sup>52</sup> A limit of \$1.5m was suggested as reasonable by some stakeholders, but has no “objective” basis. This revision should be specified on the result of discussions among CDB experts and BMC counterparts.

**Disaster Office and Ministries dealing with poverty, equity and gender. As far as possible, CDB should influence countries to incorporate comprehensive DRM and community-based approaches into multi-faceted RRL programmes.**

Ultimately, countries determine what they will include in an RRL. Early RRLs had a strong focus on (re)construction of roads, bridges and sea defenses. However, it has emerged over time that disasters have disproportionate effects on the poor, who often live in vulnerable locations and in low quality housing. It is therefore important that, wherever possible, RRLs should address poverty dimensions of disaster reconstruction and resilience; in keeping with CDB's overall poverty mandate in the region. CDB tools, such as the Enhanced Poverty Assessment and the Climate Risk Resilience Framework should be used to ensure the poverty focus of DRM activities. In order to adequately prepare the multi-faceted approach, RRL negotiations should include a broader range of national institutions than has often been the case.

**Recommendation 7: PBLs, including Exogenous Shock PBLs, should be more explicitly incorporated in the portfolio of DiMSOG instruments, as a means of encouraging strengthened national DRM capacity and practices.**

The ease of disbursement of PBLs makes them attractive to countries, and the range of potential reforms which may be associated with them should be widely advocated by CDB as a way of encouraging BMCs to adopt proactive approaches to DRM. A suite of DRM good practices should be promoted by CDB, so that countries may choose to implement and have them recognised as prior actions in PBL negotiation processes.

#### **Recommendations on CDB Processes**

**Recommendation 8: CDB should strengthen its portfolio tracking and results management systems for DiMSOG, to enable better monitoring of progress towards intended outcomes.**

Considerable efforts have been made over time to strengthen CDB's overall results based management systems. However, this evaluation could not find relevant data or analysis of the "DiMSOG portfolio" in terms of progress towards outcomes at country level or for activities supported under DiMSOG as a whole. A future DiMSOG should therefore include a realistic and trackable Results Management Framework.

**Recommendation 9: Country Strategy Papers should outline potential CDB approaches to support raising the long-term national capacity to prepare for disasters, to reduce their effects and to respond to them more effectively at all levels. Where appropriate and requested by countries, this support should be coordinated with that of CDEMA, which is mandated to help strengthen countries in these areas. These processes should include implementation and enforcement of measures to enhance the safety of the location of settlements and key national facilities and to require more resilient building codes and standards.**

Although countries often choose areas other than DRM as major components of their CDB country programmes, in keeping with their perceived most pressing development needs, the introduction of eligibility criteria for access to PBLs could raise DRM's profile in future strategies. Processes necessary to raise national capacity should include financial provisions (such as an appropriate level of CCRIF coverage and national contingency funds), improved national coordination of all bodies relevant to disaster management, coherence of donor support, adequately resourced and fully engaged national disaster offices and strengthened community resilience. Within this broad range of potential support areas, CDB should coordinate with other bodies mandated to help build country capacity.

The location of settlements and key facilities (such as hospitals) in areas vulnerable to the effects of weather events and the inadequate quality of buildings to withstand such events are longstanding issues, which BMCs have been reluctant to address. However, recent extreme events have raised awareness among governments, which presents an opportunity for Bank support to move this agenda forward in the region.

**PUBLIC DISCLOSURE AUTHORISED**

**CARIBBEAN DEVELOPMENT BANK**



**EVALUATION OF  
THE CARIBBEAN DEVELOPMENT BANK'S  
2009 DISASTER MANAGEMENT STRATEGY AND OPERATIONAL GUIDELINES**

**VOLUME 2: ANNEXES**

**OFFICE OF INDEPENDENT EVALUATION  
JULY 2018**

**ANNEX 1: Evaluation Terms of Reference**

**TERMS OF REFERENCE**

**DISASTER RISK MANAGEMENT STRATEGY AND OPERATIONAL GUIDELINES  
OF THE CARIBBEAN DEVELOPMENT BANK**

**JANUARY 2018**

## 1. Background

Natural hazards have become more frequent and more costly. A number of global factors – among them rapid unplanned urban growth, environmental degradation, and demographic change - are expected to further exacerbate existing risks and create new risks. At the same time, many developing countries have limited means to effectively reduce the risks they face – most often due to lack of financing, experience and weak capacity. In the past 5 years, multilateral development banks (MDBs) have started to consider natural disasters as a core development concern<sup>1</sup>. Previous to this, MDBs interventions related to natural disasters focused primarily on emergency recovery and reconstruction. However, increased awareness that natural disasters undermine efforts to reduce poverty and stimulate economic growth has resulted in a growing interest for support from MDBs to proactively address disaster and climate related risks.

The evaluation of the Caribbean Development Bank's (CDB) Disaster Management Strategy and Operational Guidelines (DiMSOG) is an important element of the 2018-2019 work programme and budget for CDB's Office of Independent Evaluation (OIE). The evaluation will review DiMSOG's effectiveness, relevance and efficiency since its approval in 2009. The evaluation will identify specific recommendations for CDB's role in DRM, given institutional and natural disaster context, and how these could be incorporated into an updated strategy in 2018.

DiMSOG underpins work of the wider Operations area i.e. Projects and Economics Departments, although its oversight is the responsibility of the Environmental Sustainability Unit, which also oversees policy implementation of the Climate Resilience Strategy and the Environment and Social Review Procedures.

DiMSOG sets out the following areas of intervention:

- Proactive assistance to Borrowing Member Countries (BMCs) to reduce risk through institutional strengthening, knowledge management, risk reduction measures and enhanced community resilience;
- Post disaster response;
- Mainstreaming Disaster Risk Management (DRM) into CDB's grants and loans; and
- Effective collaboration by CDB with DRM partner.

While DiMSOG conceptually supports all areas of intervention across the Bank, specific financial DRM assistance through DiMSOG is delivered primarily through Emergency Relief Grants (ERGs), Immediate Response Loans (IRLs) and Rehabilitation/Reconstruction Loans (RRLs). Resource allocation for DiMSOG comes from both Special Development Funds (available on a first come first serve basis for ERGs and RRLs) as well as Ordinary Capital Resources available for proactive DRM interventions without limitation (however within BMC borrowing abilities).

DiMSOG's predecessor, the Natural Disaster Management Strategy and Operational Guidelines, was reviewed in 2008 to evaluate its efficiency and effectiveness and the sustainability of CDB's disaster risk management assistance. Recommendations from this review included reviewing the conditionality of loans (to incorporate fast-tracking mechanisms, advance payments, revising conditions for first disbursement, simplifying reporting requirements in the disaster context, reducing commitment fees); enhancing the focus of mitigation in infrastructural design as part of RRL appraisal and design; enhancing commitment to maintenance of works by BMCs and further

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<sup>1</sup>

[https://www.gfdr.org/sites/default/files/publication/Disaster\\_Risk\\_Management\\_and\\_Multilateral\\_Development\\_Bank\\_s.pdf](https://www.gfdr.org/sites/default/files/publication/Disaster_Risk_Management_and_Multilateral_Development_Bank_s.pdf)

targeting by CDB of this aspect; having sustainability and maintenance of RRL works considered as part of loan conditionality; assessing Executing Agency institutional capacity and challenges and mitigating these; focusing on monitoring, reporting and learning in the management of DRM assistance; including public awareness activities as part of a holistic DRM process; increasing its focus on mitigation, institutional strengthening and policy assessment (rather than a sole focus on infrastructural investment); seeking joint-financing; move from a purely responsive ‘upon request’ individual grants/loans to a combined approach of responsiveness and pro-activeness; and including a strong and well supported DRM unit within the Bank.

The global and regional frameworks to which DiMSOG adheres to include the internationally agreed SENDAI Framework for Disaster Risk Reduction 2015 – 2030, and the Regional Comprehensive Disaster Management (CDM) Strategy and Programming Framework 2014 – 2024.

## 2. Users of the Evaluation

The DiMSOG Thematic Evaluation results and recommendations will feed into the next iteration of the strategy/guidelines, and consider how and to what degree DRM needs to be inserted into the different processes and strategies within CDB (Appraisal processes, Country Strategies). The key users of the evaluation will be the ESU as they design a new strategy, as well as the Operations teams that will need to follow the guidelines in planning and implementation.

## 3. Purpose of the Evaluation and Evaluation Questions

In reviewing the strategies which provide guidance and principles for DRM interventions and mainstreaming as well as identifying the different types of mechanisms, instruments and interventions supporting DRM, the evaluation aims to:

- a) To gather evidence and lessons (based on successes, major issues and challenges) that will inform a new iteration of DiMSOG.
- b) To understand the relevance and effectiveness of DiMSOG, especially with regards to:
  - pro-actively supporting BMCs to reduce risk through strengthening their disaster risk reduction and climate change resilience and adaptation efforts;
  - responding to disasters through Emergency Relief Grants, Immediate Response Loans and Rehabilitations/Reconstruction Loans;
  - mainstreaming DRM within CDB’s strategic planning, project cycle, country strategy papers, poverty reduction papers, policy based loans; and
  - working with regional development partners and frameworks.
- c) To identify CDB’s comparative advantage regarding DRM in the region and the best role for it to play given CDB’s focus, capacity and lending instruments.

The **evaluation questions** (these include the broad questions as well as potential sub-questions *in italics* that would help to respond to the broad questions) are:

### **Relevance**

- a) **How is DRM incorporated into appraisal processes, project cycle (including design, monitoring and evaluation), strategic planning, Country Strategies, policy based lending and professional capacity building?**

- i. *How are concepts of Disaster Risk Management understood within the Bank and built into programming? How could this be improved across all sectors and portfolios?*
  - ii. *To what extent were approvals and reformulations of operations by sector and type of instrument consistent with the priorities set out in DiMSOG?*
  - iii. *To what extent are the objectives, outcomes and activities of specific operations aligned with the indicators set out in DiMSOG?*
  - iv. *What mechanisms or tools do projects use to self-assess how well DRM is integrated into their work (at the appraisal, supervision and evaluation stages)*
  - v. *What lessons and recommendations were applied from the 2008 evaluation of the previous NDMSOG and which challenges remain / have not been addressed?*
  - vi. *To what extent is equality and intersectionality addressed in DiMSOG?*
- b) What examples exist of DiMSOG funding mechanisms contributing to development results? What are the opportunities and constraints to achieving development results through DiMSOG?**
- c) How are the instruments an appropriate strategic choice for supporting DRM and how do they reflect an institutional comparative advantage in the region?**
- d) To what extent is DiMSOG relevant to the regional and national policy, institutional and programming contexts?**
- i. *How is CDB working with regional and national partners to address DRM? What is the relative complementarity of CDB to others in the region regarding DRM?*
  - ii. *How do DiMSOG and the Climate Resilient Strategy work together / how are the synergies understood and supported within the Bank and used to guide operations?*
  - iii. *How well do current national policies and priorities of selected BMCs reflect DRM?*

### **Effectiveness**

- e) How effectively has the Bank executed its DRM portfolio?**
- i. *What types of projects (knowledge and capacity building, technology development, infrastructure) on the DRM spectrum (prevention, mitigation, adaptation, preparedness, post-disaster relief and recovery) have been funded and how successful have they been at reducing risk?*
  - ii. *How have post-disaster rehabilitation, recovery and reconstruction projects incorporated Build Back Better criteria?*
  - iii. *Where has CDB invested in countries' DRM capacity and how effective have it been?*
  - iv. *To what extent has water infrastructure that received CDB investment, proved resilient in the face of natural hazards?*
  - v. *What have been the challenges and obstacles for implementing DRM? How does CDB mitigate these challenges?*

### **Efficiency**

- f) To what extent have business and management processes in CDB contributed to the performance and use of the three financial instruments (including internal policies**

- and procedures for approvals, procurement, eligible expenditures, disbursement, and performance contract)?**
- g) What have been the performance and utility of different partners in the region, including CDEMA as a delivery partner, and working with BMCs and other regional institutions?**

**Sustainability**

- h) To what extent have improved DRM practices at country level been designed and implemented to ensure sustainability?**
- i) To what extent has DRM been mainstreamed into BMC policies, strategies and programmes?**

**4. Scope and methodology**

The successful Proponent will be expected to design and implement a robust evaluation of DiMSOG to answer the evaluation questions and inform the evaluation’s intended uses and users. They will be expected to use a mix of methods drawing on both quantitative and qualitative data, including country and site visits and stakeholder consultations and striking an appropriate balance between the formative and summative elements that are important for both accountability and lesson learning. Broadly, a thorough Desk Review of roughly 30 sample interventions will be conducted, with a selection of countries to be visited for in-depth interviews, site visits, and further documentation collection and analysis. In depth interviews will also be carried out with Bank staff, who will also participate in the analysis and reflection of conclusions and recommendations. Data gathering tools, such as an assessment matrix and interview protocols, will be developed by the consultant through an iterative process with Bank staff. Focus will be brought to very specific examples of challenges and good practice, and a few, key recommendations will be selected to be presented and discussed further with Bank staff and an action plan will be developed around these key recommendations.

After initial review of documents and discussions, the consultant will develop a full evaluation design, including work plan, describing overall approach, methods, sampling technique, evaluation matrix, data collection and analysis plan, measures to ensure ethical conduct and confidentiality, draft interview or survey instruments, and calendar of activities. The work plan should include up to five days for engaging CDB staff in order to present the report, discuss findings, and reflect on their implications.

- 5. Assignment timeframes:** The assignment is for a 60-70 days duration, spread between end of January 2018 and end of May 2018. The Evaluation will include travel to 2-3 countries in the region, as well as onsite work at CDB offices.

**6. Deliverables and Timeline**

<b>Deliverable</b>	<b>DATES</b>
Inception Report with evaluation design including method and work plan.	March 20 <sup>th</sup> , 2018
Submission of draft evaluation report and presentation of key recommendations	May 25 <sup>th</sup> , 2018
Submission of final evaluation report and executive summary	July 2 <sup>nd</sup> , 2018

## **7. Evaluation Team**

A team consisting of a minimum of two individuals are required for the evaluation team. The team should compromise of individuals with the following expertise:

- Demonstrated experience in the design and conduct of evaluation of MDB initiatives, particularly in regards to disaster risk management.
- Knowledge and experience of disaster risk management issues in the Caribbean, including context knowledge of poverty and vulnerability.
- Other sectoral knowledge including, but not limited to, knowledge of other donors and programs working on DRM issues, knowledge of regional DRM priorities and programs and key stakeholders in the Caribbean, and knowledge of the policy communities in DRM fields.
- Knowledge and experience in integrating equity and gender dimensions in DRM programming.
- Ability and experience working with MDB lending and national governments.
- Strong communication skills in English, including diplomacy and inter-cultural communication.
- Ability to integrate qualitative and quantitative data.
- Strong report writing and presentation skills, ability and experience in communicating complex technical ideas using non-technical language to diverse audiences.
- Ability to work in an iterative, collaborative team approach; ability to give and receive constructive feedback.

## **8. Management of the Evaluation**

The Office of Independent Evaluation will oversee the evaluation. The successful proponent will report to the OIE during the period of the resulting contract. OIE will be responsible for coordinating the overall delivery of service, providing as required direction and guidance to the Proponent, monitoring Proponent performance and accepting and approving Proponent deliverables on behalf of CDB. The OIE will coordinate the decision-making processes with the Advisory Group for this evaluation. The OIE will consult with ESU and other key stakeholders of the evaluation, around decisions regarding the scope of work, approval of the evaluation design and workplan, feedback on the draft report, and approval of the final report. OIE and ESU will coordinate on a management response to the evaluation.

ESU will ensure that appropriate subject matter experts from within Operations are available to the Proponent to discuss and provide content material, as well as facilitate cooperation with in-country institutions and other stakeholders, as required.

## **ANNEX 2: Introduction to the Evaluation**

### **1 Objectives and Use of the Evaluation**

According to the Terms of Reference for the evaluation, its purpose is:

- To gather evidence and lessons (based on successes, major issues and challenges) that will inform a new iteration of DiMSOG.
- To understand the relevance and effectiveness of DiMSOG, especially with regards to:
  - pro-actively supporting BMCs to reduce risk through strengthening their disaster risk reduction and climate change resilience and adaptation efforts;
  - responding to disasters through Emergency Relief Grants, Immediate Response Loans and Rehabilitations/Reconstruction Loans;
  - mainstreaming DRM within CDB's strategic planning, project cycle, country strategy papers, poverty reduction papers, policy based loans; and
  - working with regional development partners and frameworks.
- To identify CDB's comparative advantage regarding DRM in the region and the best role for it to play given CDB's focus, capacity and lending instruments.

The DiMSOG Thematic Evaluation results and recommendations will feed into the next iteration of the strategy/guidelines, and consider how and to what degree DRM needs to be inserted into the different processes and strategies within CDB (Appraisal processes, Country Strategies). The key users of the evaluation will be the ESU as it leads in the design of a new strategy, as well as the Operations teams that will need to follow the guidelines in planning and implementation.

### **2 Scope of the Evaluation**

The evaluation primarily covers the period from 2009 to the end of 2017. However, some historical perspective from before this period is included; in particular to take note of the lessons learned from the previous Natural Disaster Management Strategy and Operational Guidelines (NDMSOG); and to explore the extent to which these were built into the DiMSOG concept and its formalization in the strategy document. In order to assess some key aspects of DiMSOG, notably the intended and achieved comparative advantage of CDB in the area of Disaster Risk Management, the evaluation also explores strategies, policies and interventions of a range of other regional stakeholders during the period covered.

This DiMSOG evaluation aims to assess results achieved to date and expected to be achieved under the Strategy, and also as far as possible takes note of emerging approaches, developments and issues. Although its timescale has the boundaries previously mentioned, it has also taken note of recent developments, where these seem to have some bearing on the topics under assessment.

### **3 Focus**

The primary focus of the evaluation is to compile and present evidence-based analysis of the achievements to date associated with the DiMSOG and of any challenges faced. A subsidiary focus is on the relationship between the Climate Resilience Strategy and the DiMSOG. The evaluation has formative intentions and is intended to contribute towards formulation of an update of the strategy.

## **ANNEX 3: Methodology and Limitations**

### **1 Evaluation Concepts and Questions**

#### **Evaluation Concepts**

The Terms of Reference for the evaluation are conceptually organized around the DAC evaluation criteria of relevance, effectiveness, efficiency and sustainability.

These have been applied to DiMSOG-related activities and interventions according to their stage of implementation. The most recent interventions, for example, have been reviewed in terms of their relevance and design, including the extent to which sustainability is incorporated. Completed activities have been examined under all four criteria.

The evaluation also used a reconstructed Theory of Change (see Figure 1 below) as a means of examining the results pathway of DiMSOG's intended contribution to DRM in the region.

#### **Context of the Evaluation Questions**

In 2009, the Disaster Management Strategy and Operational Guidelines (DiMSOG) replaced the NDMSOG. Within the Strategy Document, the actual strategy is contained within only 4 pages, while the bulk of the text provides Operational Guidelines on the details of loan procedures. The DiMSOG document does not discuss the lessons learned from the NDMSOG or refer to the Management Response to the evaluation of that Strategy. It is not therefore clear how the limitations of the predecessor were expected to be overcome. The DiMSOG presents a Summary Matrix for CDB's Disaster Risk Management Strategy. Whilst this presents expected outputs and outcomes, it is not specific on the contribution, which CDB will make towards the realisation of these. The evaluation team has attempted to make this contribution explicit by the generation of a Theory of Change, as discussed in Section 2.1 above. The Strategy Document also contains a set of Evaluation Indicators. On initial review, these appear to be largely focused on CDB inputs and outputs, while the linkages to outcomes and beyond are not clearly articulated.

DiMSOG overlaps with the Bank's Climate Resilience Strategy and there are potential loan areas which could fall under either Strategy, or which could potentially be the subject of joint programming. Accordingly, the evaluation will explore the complementarities and differences between DiMSOG and CRS in considering recommendations for a renewed DiMSOG.

The Comprehensive Disaster Management arena in the Caribbean Region has many stakeholders and DiMSOG aims to maximize the Bank's comparative advantages as well as to enhance its cooperation with potential or actual partners. The Strategy Document is not specific on how this will be done and the evaluation will therefore assess the extent to which this intention has been further defined and operationalized.

### **2 Use of a mixed method approach:**

The evaluation methodology needed to address both what has been achieved by DiMSOG (the summative mode) and the emerging lessons, which can inform future activities (the formative mode). It also needed to look at several overlapping areas of enquiry:

- CDB DiMSOG performance
- BMC implementation of CDB-assisted activities under DiMSOG

- Comprehensive Disaster Management activities among Member States of other regional and international bodies
- Comparative advantages of CDB in DRM.

In order to address these issues, the evaluation used a mixed method approach, drawing on both qualitative and quantitative data from primary and secondary sources. Data of different types and sources were triangulated to assess consistency and/or to analyse why differences appear between different data sets.

The following specific methods have been used:

**Document review:** A review of key available document sets, including:

- CDB policy and strategy documents covering DRM, Environmental Sustainability and Climate Resilience
- Country Strategy Papers to assess presence of DRM and Climate Resilience. The review covered a mix of countries with large, medium and small interventions drawing on funding through DiMSOG
- Portfolio Review of projects funded through different DiMSOG windows, drawing on CDB databases, to establish financial distribution, status of progress and completion<sup>2</sup>.
- CDB Project Documents falling under DiMSOG thematic areas. The consultants reviewed documents on Disaster Preparedness loans and on major Disaster Response activities so far agreed. In addition, the OIE validation of 8 DiMSOG-related Project Completion Reports (all Response activities) has been incorporated into this review.
- A brief review of documents of other financial support packages, such as Policy Based Loans and investment loans, to establish the extent to which these encompass DRM and/or Climate Resilience.
- Selected key regional documents on DRM and Climate Resilience.
- Selected national policy documents on DRM and Climate Resilience, including on BMC approaches to operationalizing CDM Strategy.

**Key Informant Interviews:** Semi-structured Key Informant Interviews played a major role in the evaluation methodology. These covered a range of stakeholders, and were based on a set of interview guidelines.. Respondents were selected on the basis of snowballing from initial stakeholders identified in collaboration with OIE<sup>3</sup> and included the following categories:

- CDB Management and Staff
- Regional Disaster Management Community (particularly CDEMA)
- International Organisations active in relevant fields in the region and sub-region
- National Disaster Management Offices, Ministries with responsibility for environment, Coastal Zones and Energy
- Government Offices with management for DiMSOG-related projects.

Key informant interviews were conducted either in person or electronically, depending on location and availability.

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<sup>2</sup> This work was undertaken by OIE.

<sup>3</sup> This process has been commenced during the Inception Phase.

**Country Mission Case Studies:** Country Mission Case Studies were conducted in British Virgin Islands, Saint Lucia and Barbados.

**Remote Country Case Studies.** Since the Country Mission Case Studies had limited coverage, the evaluation contacted a carefully selected set of key respondents in other BMCs across the region in Skype/telephone interviews or on some cases through written response.

### **3 Framing through a Theory of Change**

In the case of an overarching strategy, such as DiMSOG, the DAC criteria are often supplemented with an approach, which can provide a clearer perspective on the overall effects generated by such an intervention. The most commonly-used approach in evaluation in recent years has become Theory-Based Evaluation. Such an evaluation builds on the intended results chain from inputs to outputs and outcomes and ultimately towards impacts. It is based on an understanding of the assumptions upon which an intervention is based and of the risks, which may challenge those assumptions. Although many interventions were not originally built upon an explicit Theory of Change (ToC), evaluators are able to use the approach by reconstructing the intended logic of change based on project documents, interviews with key stakeholders, comparison with similar interventions elsewhere and broader literature review.

Theory-based evaluation can take place at any point during any type of intervention, including to examine design quality. During implementation, the approach can be used to evaluate whether or not the mechanisms employed are in fact leading towards the expected outcomes (and beyond) and whether the original assumptions are holding.

Although the DiMSOG was not designed explicitly around a Theory of Change, it does contain a Summary Matrix (Table 1), which can be used as the starting point for such an instrument, supported by details from explanations of the strategy and its operational guidelines. The evaluation's understanding of the DiMSOG Theory of Change is therefore provided as Figure 1 below.

### **4 Comments on the initial Theory of Change**

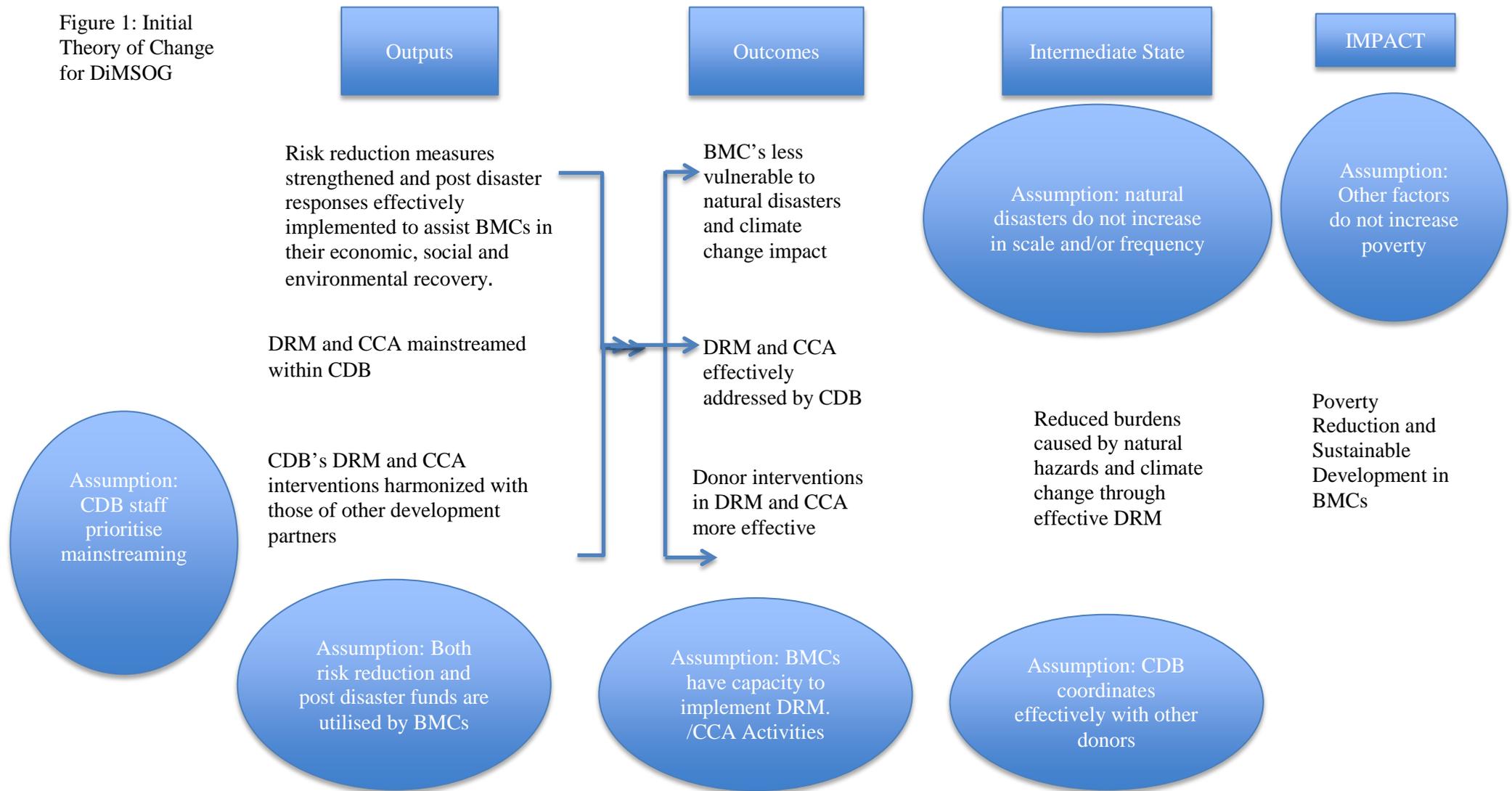
According to the DiMSOG document, the ultimate objective of the strategy is to contribute towards poverty reduction and the attainment of sustainable development among the Borrowing Member Countries. Although many other factors will contribute towards this objective, there is no doubt that losses due to natural disasters play a significant part in restricting development progress and that there is ample scope for DRM to help in overcoming these restrictions. The evaluation team identified that the DiMSOG Results Matrix, upon which the ToC has been constructed, includes several assumptions. These pose risks to progress along the results chain. One such risk identified for the long-term impact objective is that other factors, such as downturns in important economic sectors, may outweigh the gains from improved DRM. A further potential risk, occurring slightly earlier in the results chain, is that natural disaster events may become more prevalent and/or more damaging, thereby reducing or reversing gains from the DiMSOG contribution. On the basis of Climate Change projections, this risk is regarded as highly likely to materialise. These two risks are largely out of the control of CDB. The assumptions are therefore that these adverse factors will not materialise or that measures supported by DiMSOG and other strategies and interventions will be sufficient to reduce their effects.

Other assumptions refer to potential risks, the effects of which may be substantially lessened by effective implementation of DiMSOG. These assumptions include:

- There is effective coordination between CDB and the range of donors and other institutions
- BMCs implement both risk reduction and necessary post-disaster activities and have sufficient capacity to do so effectively
- CDB staff prioritise mainstreaming DRM throughout its activities and portfolio.

The evaluation has assessed the measures taken by CDB to ensure that these assumptions hold good and that their potential negative effects are actively managed. This analysis is presented in Section 6.5.

Figure 1: Initial Theory of Change for DiMSOG



## 5 Triangulation and Analysis

Evidence from different sources and methods have been systematically compared to see to what extent they produce a consistent understanding, as well as areas where different perspectives appear. It was expected that some different perspectives would emerge depending on where stakeholders are located within the overall DRM/Climate Change system; for example, between regional and national levels. In other cases variations were derived from the involvement and responsibility of respondents for different aspects of the DiMSOG portfolio. Implementers often have a more positive perception of what has been achieved than can be supported from documentary analysis and discussions with external observers. Whilst this may reflect bias, it can also be derived from additional information available to the implementers, which has not been observed or considered by external parties. The triangulation process has therefore carefully balanced these varying perspectives to derive the most verifiable overall interpretation.

There have been challenges in analyzing the effects of DiMSOG. These arise because the strategy itself does not make clear how DiMSOG is intended to contribute towards change, other than by making funds available. Both the Summary Matrix and the Evaluation Indicators of the Strategy document are heavily focused on inputs and outputs; with outcomes loosely defined and difficult to assess either quantitatively or qualitatively. There is no overall concept of a Results Chain or of a Theory of Change in the strategy document itself. However, coordination of the TOC-based and DAC-criteria based analyses have enabled the evaluation to develop an evidence-based set of findings, conclusions and recommendations on DiMSOG.

## 6 Limitations of the Study

Based on the consultants' experience as implementers, consultants and evaluators in the region and OIE's experience of CDB previous evaluations, a number of potential limitations were identified as risks. Measures were taken to overcome these risks and have enabled assembly of a sufficient range and quality of evidence to permit quality evaluative assessment, conclusions and recommendations to be completed.

An assessment of the outcomes against anticipated risks is provided below.

<b>Risk</b>	<b>Mitigation Strategy</b>
Difficulties in identifying appropriate country selection / sampling of programs.	Country case studies of British Virgin Islands, Saint Lucia and Barbados, supported by contacts with other BMCs and extensive documentary analysis enabled an appropriate mix of countries and programs to be reviewed
Unclear DRM framework because of varying definitions of disaster risk management	Extensive interviews with CDB and external stakeholders generated understanding of DRR framework and concepts applied in the region.
Variable quality of project logic models, supervision reports, and project completion reports.	Variable and often poor quality reports, sometimes lacking sufficient evidence for sound verification. Understanding strengthened by discussions with CDB and BMC operational staff.
Difficulties in obtaining documents in CDB.	Available documents accessed. Others followed up and obtained. Much specific information remains missing and financial data are very weak. Understanding strengthened by discussions with CDB and BMC operational staff.

Difficulties in obtaining documents from national and regional partners.	Despite strenuous efforts, some potentially valuable documents not obtained as countries have them only in hard copy and they are not yet public documents under circulation.
Difficulties in securing interviews in CDB.	CDB staff collaborated positively with the evaluation.
Difficulties in securing interviews in national Governments and regional partner organizations.	Regional bodies contacted. National governments largely unresponsive despite consistent follow-up. Evidence on national performance supplemented from CDB staff and documentation.
Challenges in securing cooperation for country case study missions.	Country case studies generated contacts with most key stakeholders through persistent follow-up.
Additional country mission to Jamaica cannot be resourced.	Mission could not be financed. Documentary and key stakeholder interviews supplied relevant information.

Overall, the various anticipated limitations were experienced; but sufficient evidence was obtained through complementary methods and sources to address the evaluation questions and issues.

## **7 Preparation of Draft Final Report and Dissemination**

At the stage of draft report preparation, an informal workshop was held with CDB Management and Staff to explore their perceptions on the emerging findings and potential recommendations. Building on the response at this workshop, the evaluators prepared a draft report, which was circulated within CDB and to the Evaluation's Advisory Group. On the basis of feedback from these stakeholders, the draft was updated and revised and submitted to Office of Independent Evaluation.

## **ANNEX 4: Institutional Structure of Disaster Risk Management and Climate Resilience in the Region**

As noted by the Approach Paper for this evaluation<sup>4</sup>, the frameworks relevant to DRR in the Caribbean include the internationally agreed SENDAI Framework for Disaster Risk Reduction 2015 – 2030, and the Regional Comprehensive Disaster Management (CDM) Strategy and Programming Framework 2014 – 2024. These frameworks outline a broad-based vision of DRR, encompassing governance, risk assessment and early warning, knowledge and education, underlying risk factors in the context of development and disaster preparedness and response. This vision is also applicable to the future threats presented by climate change related extreme events.

The **Caribbean Disaster Emergency Management Agency (CDEMA)**<sup>5</sup> is the regional inter-governmental agency for disaster management in the Caribbean Community (CARICOM). The Agency was established in 1991 as CDERA (Caribbean Disaster Emergency Response Agency) with primary responsibility for the coordination of emergency response and relief efforts to Participating States that require such assistance. It transitioned to CDEMA in 2009 to fully embrace the principles and practice of Comprehensive Disaster Management (CDM). CDM is an integrated and proactive approach to disaster management that seeks to reduce the risk and loss associated with natural and technological hazards and the effects of climate change to enhance regional sustainable development. CDEMA has a broad range of functions. These include:

- mobilising and coordinating disaster relief
- mitigating or eliminating, as far as practicable, the immediate consequences of disasters in Participating States
- providing immediate and coordinated response by means of emergency disaster relief to any affected Participating State
- securing, coordinating and providing to interested inter-governmental and non-governmental organisations reliable and comprehensive information on disasters affecting any Participating State
- encouraging the adoption of disaster loss reduction and mitigation policies and practices at the national and regional level as well as cooperative arrangements and mechanisms to facilitate the development of a culture of disaster loss reduction
- coordinating the establishment, enhancement and maintenance of adequate emergency disaster response capabilities among the Participating States.

The **Regional Comprehensive Disaster Management (CDM) Strategy and Programming Framework 2014 – 2024** has a goal of building and supporting safer, more resilient and sustainable CDEMA Participating States through Comprehensive Disaster Management. It is designed to continue the process of embedding and institutionalizing CDM as the Caribbean’s platform for achieving risk reduction.<sup>6</sup> It proposes to do this over a ten year period and expands on the original key sectors (Agriculture, Tourism, Health, Civil Society and Education) to include Finance/Economic Development and Physical and Environmental Planning. Additionally it places increased focus on integrating disaster risk reduction and climate change considerations and their impact on vulnerable groups. The strategy contains seven elements:

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<sup>4</sup> Approach Paper, Thematic and Sector Evaluation: Disaster Risk Management. Office of Independent Evaluation, CDB, January 2018.

<sup>5</sup> <http://www.cdema.org>

<sup>6</sup> <http://caribbean.cepal.org/content/regional-comprehensive-disaster-management-cdm-strategy-and-programming-framework-2014-2024>

- National, regional and sectoral institutions with adequate/minimum standards of capacity to deliver the CDM program;
- Knowledge management which is applied for fact-based decision-making;
- Disaster resilience which is enhanced within key sectors of the economy;
- Operational readiness at regional, national, sectoral and local levels;
- A clearly established and understood nexus between CCA and DRR with programming and governance harmonized;
- Community resilience which has been enhanced for the most vulnerable with gender concerns addressed at all stages and levels;
- Resource allocation which underpins the ability to deliver the strategy.

The **SENDAI Framework for Disaster Risk Reduction 2015 – 2030**<sup>7</sup>, endorsed by the UN General Assembly in June, 2015, is the successor international agreement to the Hyogo Framework for Action 2005 - 2015. It is intended to guide international efforts on prevention and resilience; preparedness; recovery and reconstruction. With an overall goal of preventing new, and reducing existing, disaster risk it sets out four priorities for action:

- Understanding disaster risk
- Strengthening disaster risk governance
- Investing in disaster risk reduction for resilience
- Enhancing disaster preparedness for effective response, and to “Build Back Better” in recovery, rehabilitation, and reconstruction.

It states that: “Addressing underlying disaster risk factors through disaster risk informed public and private investments is more cost effective than primary reliance on post disaster response and recovery, and contributes to sustainable development.” Also that it is important “To promote the resilience of new and existing critical infrastructure, including water, transportation, and telecommunications, educational facilities ... to ensure that they remain safe, effective and operational during and after disasters...” It calls on “regional development backs to consider the priorities ... for providing financial support and loans for integrated disaster risk reduction”.

The **Caribbean Community Climate Change Centre (CCCCC)**<sup>8</sup> coordinates the Caribbean region’s response to climate change, working on effective solutions and projects to combat the environmental impacts of climate change and global warming. It provides climate change-related policy advice and guidelines to the Caribbean Community (CARICOM) Member States through the CARICOM Secretariat and to the UK Caribbean Overseas Territories and is archive and clearing house for regional climate change data and documentation. The CCCCC was accredited as a regional implementing entity by the Board of the Green Climate Fund (GCF), a key multilateral financing mechanism to support climate action in developing countries.

Besides these key regional DRM ‘hubs’, a broad variety of other institutions, such as IDB, USAID, World Bank, EU, Global Affairs Canada and DFID as well as the national governments are all potential DRM partners of CDB.

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<sup>7</sup> <http://www.unisdr.org/we/inform/publications/43291>

<sup>8</sup> <http://www.caribbeanclimate.bz/>

**Annex 5: Summary of available resource allocations and use for loans and grants of the three DiMSOG specified instruments**

Country	Division	PRN/Legal No.	Loan	Fund	Amount	Board Approval Date	Agreement Date	Intended closing date	Actual closing date	Actual expenditure (COGNOS)
ANGUILLA	EID	8/OR-ANL	REHABILITATION AND RECONSTRUCTION LOAN - HURRICANE IRMA	10000-EQUITY & RESERVES	5,313,000.00	2017-12-14	2017-12-20	unknown	unknown	3,863,741
	EID		NATURAL DISASTER MANAGEMENT - IMMEDIATE RESPONSE - HURRICANE OMAR	29100-USDF	425,000.00	2009-07-21	2009-07-21	unknown	unknown	
ANTIGUA AND BARBUDA	EID	26/SFR-ANT	NDM - IMMEDIATE RESPONSE (HURRICANE IRMA)	29100-USDF	750,000.00	2017-10-19	2017-11-09	unknown	unknown	no request for funds has been received
	EC	27/SFR-ANT	HURRICANE RECONSTRUCTION SUPPORT	29000-USA-01	4,300,000.00	2017-12-17	2018-02-28	unknown	unknown	7,820,362
	EC	27/SFR-ANT	HURRICANE RECONSTRUCTION SUPPORT	29001-USAID NO. 3	7,500,000.00	2017-12-14	2018-02-28			
	EID	7/SFR-OR-ANT	NDM - REHABILITATION AND RECONSTRUCTION (HURRICANE IRMA)	29100-USDF	4,913,000.00	2017-12-14	2017-12-29	unknown	unknown	2,923,259
	EID	7/SFR-OR-ANT	NDM - REHABILITATION AND RECONSTRUCTION LOAN (HURRICAN IRMA)	13904-EIB V (CALC11)	11,242,000.00	2017-12-14	2017-12-29	unknown	unknown	
BAHAMAS	EID	02/SFR-BHA	NDM - IMMEDIATE RESPONSE - HURRICANE SANDY	29100-USDF	750,000.00	2013-05-20	2013-08-29	01/03/2014	2014-12.23	
BELIZE	EID	061/SFR-BZE	NDM - IMMEDIATE RESPONSE HURRICANE EARL	29100-USDF	750,000.00	2016-10-13	2016-12-15	2017-03-31 2017-06-30	13/09/2017	765,422

Country	Division	PRN/Legal No.	Loan	Fund	Amount	Board Approval Date	Agreement Date	Intended closing date	Actual closing date	Actual expenditure (COGNOS)
BRITISH VIRGIN ISLANDS	EID	03/OR-BVI	NDM - INFRASTRUCTURE REHABILITATION	10000-EQUITY & RESERVES	15,672,000.00	2011-05-23	2012-06-28	2012-12-31 2018-12-31	not yet completed	10,106,717
	EID	12/SFR-OR-BVI	REHABILITATION AND RECONSTRUCTION LOAN - HURRICANE IRMA	10000-EQUITY & RESERVES	60,291,000.00	2017-12-14	2017-12-29	31/01/2021	not yet completed	15,238,618
	EID	12/SFR-OR-BVI	REHABILITATION AND RECONSTRUCTION LOAN - HURRICANE IRMA	29100-USDF	5,000,000.00	2017-12-14	2017-12-29			
	EID	15/SFR-BVI	NDM - IMMEDIATE RESPONSE (HURRICANE IRMA)	29100-USDF	750,000.00	2017-11-10	2017-11-23	unknown	N/A	no request for funds has been received
	EID	16/SFR-BVI	NDM - IMMEDIATE RESPONSE (TORRENTIAL RAINFALL EVENT)	29100-USDF	750,000.00	2017-11-10	2017-11-23	unknown	N/A	no request for funds has been received
	EID	17/SFR-BVI	NDM - IMMEDIATE RESPONSE (HURRICANE MARIA)	29100-USDF	750,000.00	2017-11-10	2017-11-23	Unknown	N/A	no request for funds has been received
DOMINICA	EID	19/SFR-OR-DMI	NDM - REHABILITATION AND RECONSTRUCTION - LAYOU FLOOD EVENT	10000-EQUITY & RESERVES	2,087,000.00	2011-12-08	2012-02-13	2014-04-30 revised: 2017-09-30	not yet completed	959, 068
	EID	19/SFR-OR-DMI	NDM - REHABILITATION AND RECONSTRUCTION - LAYOU FLOOD EVENT	29100-USDF	8,800,000.00	2011-12-08	2012-02-13			
	EID	19/SFR-OR-DMI (ADD)	NDM - REHABILITATION AND RECONSTRUCTION - LAYOU FLOOD EVENT ADD. LOAN	29100-USDF	2,227,000.00	2015-10-15	2015-12-11	30/04/2014	30/09/2017	
	EID	20/SFR-OR-DMI	NDM - REHABILITATION AND RECONSTRUCTION - TROPICAL STORM OPHELIA	10000-EQUITY & RESERVES	1,000,000.00	2012-03-07	2012-03-07	31/01/2014	31/12/2018	232,955.22
	EID	20/SFR-OR-DMI	NDM - REHABILITATION AND RECONSTRUCTION - TROPICAL STORM OPHELIA	29100-USDF	3,100,000.00	2012-03-07	2012-03-07			

Country	Division	PRN/Legal No.	Loan	Fund	Amount	Board Approval Date	Agreement Date	Intended closing date	Actual closing date	Actual expenditure (COGNOS)
DOMINICA	EID	20/SFR-OR-DMI	NDM - REHABILITATION AND RECONSTRUCTION - TROPICAL STORM OPHELIA	29100-USDF	3,100,000.00	2012-03-07	2012-03-07			
	EID	71/SFR-DMI	NDM - IMMEDIATE RESPONSE - LAYOU FLOOD EVENT	29100-USDF	750,000.00	2011-10-13	2011-12-16	28/01/2012	unknown	742,989
	EID	72/SFR-DMI	NDM - IMMEDIATE RESPONSE - TROPICAL STORM OPHELIA	29100-USDF	750,000.00	2011-12-08	2012-01-09	30/06/2012	unknown	748,132
	EID	73/SFR-DMI	NDM - IMMEDIATE RESPONSE - APRIL 2013 TORRENTIAL RAINFALL & FLOOD EVENTS	29100-USDF	750,000.00	2013-07-18	2013-08-19	2014-02-28 2015-03-15	12/06/2015	748,104
	EID	74/SFR-DMI	NDM - IR - DECEMBER 2013 TORRENTIAL RAINFALL AND FLOOD EVENT	29100-USDF	750,000.00	2014-03-13	2014-04-11	unknown	unknown	748,135
	EID	76/SFR-DMI	NDM - IMMEDIATE RESPONSE LOAN - TROPICAL STORM ERIKA	29100-USDF	750,000.00	2015-12-10	2015-10-21	unknown	unknown	747,743
	EID	77/SFR-DMI	REHABILITATION AND RECONSTRUCTION - TROPICAL STORM ERIKA	29100-USDF	30,000,000.00	2015-12-10	2016-03-17	31/12/2018	31/12/2018	no request for funds has been received
	EID	PENDING	REHABILITATION AND RECONSTRUCTION LOAN - HURRICANE MARIA	13904-EIB V (CALC11)	7,788,000.00	2018-03-22	2018-03-22	still finalizing agreement		
	EID	PENDING	REHABILITATION AND RECONSTRUCTION LOAN - HURRICANE MARIA	19705-SEF EAST CARIBBEAN	8,016,000.00	2018-03-22	2018-03-22	still finalizing agreement		
	EID	16/SFR-OR-DMI	NDM -REHAB. SEA DEFENCES- HURRICANE OMAR		#####	#####	#####	original 2011-11-30; revised: 2012-11-30;	unknown	4,753,269.61
EID	16/SFR-OR-DMI	NDM -REHAB. SEA DEFENCES- HURRICANE OMAR					3,795,456.65			

Country	Division	PRN/Legal No.	Loan	Fund	Amount	Board Approval Date	Agreement Date	Intended closing date	Actual closing date	Actual expenditure (COGNOS)
GRENADA	EID	18/SFR-OR-GRN	NDM - REHABILITATION AND RECONSTRUCTION - EXTREME RAINFALL EVENT	10000-EQUITY & RESERVES	2,032,000.00	2011-12-08	2012-03-13	2014-03-11 2018-03-31	not yet completed	650,534
	EID	18/SFR-OR-GRN	NDM - REHABILITATION AND RECONSTRUCTION - EXTREME RAINFALL EVENT	29100-USDF	6,580,000.00	2011-12-08	2012-03-13			
JAMAICA	EID	21/SFR-JAM	NDM - IMMEDIATE RESPONSE - TROPICAL STORM NICOLE	29100-USDF	750,000.00	2010-12-23	2011-03-22	31/03/2011	31/12/2013	702,099
ST. KITTS AND NEVIS	SSD	14/SFR-OR-STK SUPP.	NDM - REHABILITATION - HURRICAN LENNY - SUPPLEMENTAL LOAN	29100-USDF	4,030,303.13	2011-12-08	2013-01-01	31/12/2001	31/12/2012	5,664,708
	EID	49/SFR-STK	NDM - IMMEDIATE RESPONSE - TROPICAL STORM OTTO	29100-USDF	750000 + 20,000 additional	2011-03-17	2011-05-13	16/11/2010	TDD 2012-08-31	349,938 of which 14,100 is grant
ST. LUCIA	EID	31/SFR-OR-STL	NDM - REHABILITATION AND RECONSTRUCTION - HURRICANE TOMAS	10000-EQUITY & RESERVES	7,371,000.00	2011-03-17	2011-08-19	30/03/2013	31/03/2018	10,843,000
	EID	31/SFR-OR-STL	NDM - REHABILITATION AND RECONSTRUCTION - HURRICANE TOMAS	29100-USDF	10,589,000.00	2011-03-17	2011-08-19			
	EID	31/SFR-OR-STL ADD	NDM - REHABILITATION AND RECONSTRUCTION - HURRICANE TOMAS ADD. LOAN	29100-USDF	6,862,000.00	2012-12-12	2013-02-26			
	EID	55/SFR-STL	NDM - IMMEDIATE RESPONSE - HURRICANE TOMAS	29100-USDF	750,000.00	2011-03-17	2011-08-19	2011 (project actually started in 2010 according to our other system)	2013	750,000
	EID	57/SFR-STL	NDM - IMMEDIATE RESPONSE - TORRENTIAL RAINFALL EVENT	29100-USDF	750,000.00	2014-03-13	2014-04-30	2014	21/12/2015	750,000
	EID	PENDING	NDM - IMMEDIATE RESPONSE LOAN - TROPICAL STORM MATTHEW	29100-USDF	750,000.00	2017-07-20	2018-01-01	unknown	N/A	unknown

Country	Division	PRN/Legal No.	Loan	Fund	Amount	Board Approval Date	Agreement Date	Intended closing date	Actual closing date	Actual expenditure (COGNOS)
ST. VINCENT AND THE GRENADINES	EID	17/SFR-OR-STV	NDM - REHAB. AND RECONSTRUCTION - HURRICANE TOMAS/NORTH WINDWARD	10000-EQUITY & RESERVES	3,072,000.00	2011-07-18	15/11/2011 but started 2013-02-28	31/05/2014	revised to 2019-12-31	6,078,107
	EID	17/SFR-OR-STV	NDM - REHAB. AND RECONSTRUCTION - HURRICANE TOMAS/NORTH WINDWARD	29100-USDF	9,550,000.00	2011-07-18	2011-11-15			
	EID	19/SFR-OR-STV	NDM - REHABILITATION AND RECONSTRUCTION (DECEMBER 2013 TROUGH EVENT)	10000-EQUITY & RESERVES	5,529,000.00	2014-07-17	04/11/2014 but start date = 2015-04-30	31/05/2017	revised to 2019-12-31	1,874,792
	EID	19/SFR-OR-STV	NDM - REHABILITATION AND RECONSTRUCTION (DECEMBER 2013 TROUGH EVENT)	29100-USDF	3,517,000.00	2014-07-17	2014-11-04			
	EID	61/SFR-STV	NDM - IMMEDIATE RESPONSE - HURRICANE TOMAS	29100-USDF	750,000.00	2011-03-17	2011-01-27	30/04/2011	31/12/2013	332,034
	EID	62/SFR-STV	NDM - IMMEDIATE RESPONSE - TORRENTIAL	29100-USDF	750,000.00	2011-07-18	2011-08-12	12/10/2011	unknown but terminal disbursement date was 2013-03-06	513,965
	EID	64/SFR-STV	NDM - IMMEDIATE RESPONSE - TORRENTIAL RAINFALL EVENT	29100-USDF	750,000.00	2014-03-13	03/04/2014 but start date was 2015-01-01	30/10/2014	11/08/2015	749,065
	EID	65/SFR-STV	NDM - DISASTER RISK REDUCTION AND CLIMATE CHANGE ADAPTATION	29100-USDF	11,435,000.00	2016-03-09	2016-03-11	31/12/2020	N/A	128,877

**ERGs approved between 2009 and 2018.**

Country	Division	PRN/Legal No.	Grant	Client	Fund	Amount	Board Approval Date	Actual expenditure
ANGUILLA	ESU	4027	DISASTER MANAGEMENT EMERGENCY RELIEF: HURRICANE IRMA (2017) - ANGUILLA	GOVERNMENT OF ANGUILLA	29100-USDF	200,000.00	2017-09-12	no info
ANTIGUA AND BARBUDA	ESU	4012	EMERGENCY RELIEF - HURRICANE IRMA	GOVERNMENT OF ANTIGUA AND BARBUDA	29100-USDF	200,000.00	2017-09-11	no info
BAHAMAS		3662	DISASTER MANAGEMENT EMERGENCY RELIEF GRANT: HURRICANE IRENE	GOVERNMENT OF THE BAHAMAS		200,000.00	2011-12-28	200,000.00
	ESU	3722	DISASTER MANAGEMENT EMERGENCY RELIEF GRANT: HURRICANE SANDY, THE COMMONWEALTH OF BAHAMAS		29100-USDF	200,000.00	2013-03-11	79,952.77
	ESU	3898	DISASTER EMERGENCY RELIEF GRANT - HURRICANE JOAQUIN - BAHAMAS		29100-USDF	200,000.00	2016-04-21	200,000.00
	ESU	3944	EMERGENCY RELIEF - HURRICANE MATTHEW		29100-USDF	200,000.00	2016-11-21	100,000.00
	ESU	4024	EMERGENCY RELIEF - HURRICANE IRMA		29100-USDF	200,000.00	2017-10-02	no info
BELIZE	ESU	3932	EMERGENCY RELIEF - HURRICANE EARL	GOVERNMENT OF BELIZE	29100-USDF	200,000.00	2016-10-13	0.00
		3588	DISASTER MANAGEMENT RELIEF GRANT - HURRICANE RICHARD	GOVERNMENT OF BELIZE		200,000.00	2010-11-25	200,000.00
BRITISH VIRGIN ISLANDS	ESU	4028	DISASTER MANAGEMENT EMERGENCY RELIEF GRANT (ERG): HURRICANE IRMA (2017)	CARIBBEAN DISASTER EMERGENCY MANAGEMENT AGENCY	29100-USDF	200,000.00	2017-10-16	190,000.00

DOMINICA	ESU	3847	EMERGENCY RELIEF - TROPICAL STORM ERIKA (AUG 2015)	GOVERNMENT OF DOMINICA	29100-USDF	200,000.00	2015-09-04	100,000.00
		3680	DISASTER MANAGEMENT EMERGENCY RELIEF GRANT - TROPICAL STORM OPHELIA	GOVERNMENT OF DOMINICA	29100-USDF		2012-01-06	0.00
GUYANA	ESU	4008	DISASTER MANAGEMENT EMERGENCY RELIEF GRANT: HINTERLAND FLOODING REGIONS 7 (CUYUNI/MAZARUNI) AND 8 (POTARO/SIPARUNI)	GOVERNMENT OF GUYANA	29100-USDF	200,000.00	2017-09-15	100,000.00
HAITI	ESU	3939	EMERGENCY RELIEF - HURRICANE MATTHEW	GOVERNMENT OF HAITI	29100-USDF	200,000.00	2016-11-03	100,000.00
JAMAICA	ESU	3723	EMERGENCY RELIEF GRANT HURRICANE SANDY, JAMIAICA	GOVERNMENT OF JAMAICA	29100-USDF	200,000.00	2013-05-07	119,339.55
		3585	DISASTER MANAGEMENT EMERGENCY RELIEF GRANT - TROPICAL STORM NICOLE		29100-USDF	200,000.00	2010-11-01	119,737.07
ST. LUCIA	ESU	3775	EMERGENCY RELIEF - DECEMBER TROUGH SYSTEM (2013)	GOVERNMENT OF ST. LUCIA	29100-USDF	200,000.00	2014-03-13	35.00
		3586	DISASTER MANAGEMENT EMERGENCY RELIEF GRANT - HURRICANE TOMAS		29100-USDF	200,000.00	2010-11-22	200,000.00
St. Vincent and the Grenadines	ESU		DISASTER MANAGEMENT EMERGENCY RELIEF GRANT - HURRICANE TOMAS		29100-USDF	200,000.00	2010-11-22	183,028.02
		3774	EMERGENCY RELIEF - DECEMBER TROUGH SYSTEM (2013)	GOVERNMENT OF ST.VINCENT & THE GRENADINES	29100-USDF	200,000.00	2014-03-13	200,000.00

**ANNEX 6: Persons Contacted**

<b>Country</b>	<b>First</b>	<b>Last</b>	<b>Role</b>
Anguilla	Melissa	Meade	Head DMO Anguilla
Barbados	William	Ashby	Operations Officer (Civil Engineer)/Portfolio Manager
Barbados	Adrian	Cashman	UWI
Barbados	E.E. Deidre	Clarendon	Division Chief- Social Sector DIV
Barbados	Cheryl A.	Dixon	Coordinator-ESU
Barbados	Lano	Fonua	Operations Officer- Energy
Barbados	Douglas	Fraser	Head of Procurement
Barbados	Annicia	Gayle-Geddes	Operations Officer- Social Sector Division
Barbados	Albert	Gillings	Operations Officer (Civil Engineer)
Barbados	Sharon	Griffith	Operations Officer (Civil Engineer)
Barbados	Andria	Grosvenor	Alliance and Corporations Services Manager, CDEMA
Barbados	Kerry	Hinds	Director DEM Barbados
Barbados	Carl	Howell	Deputy Director Corporate Strategy Division
Barbados	Natalie	Hutchinson	Senior Development Officer CDRRF
Barbados	Valerie	Isaac	Operations Officer
Barbados	Ronald	Jackson	Executive Director, CDEMA
Barbados	Claudia	James	Project Manager-CDRRF
Barbados	Nigel	Kirby	UK Caribbean Infrastructure Partnership Fund
Barbados	Monica	La Bennett	Vice-President (Operations)-CDB
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Barbados	Debbie	Lewis	Operations Officer- Analyst
Barbados	Glen	McCarvel	Operations Officer (Civil Engineer)/Portfolio Manager
Barbados	Paul	Saunders	Operations Officer- ESU
Barbados	Andrew	Thorington	Technical Services Manager
BVI	Dr. Drexell	Glasgow	Director of Projects, Ministry of Finance
BVI	Shanid	Armstrong	Project Manager, BVI SMART communities
BVI	Sharleen	Dabreo	Head, DMO-BVI
BVI	Evangeline	Innis	Deputy Head DMO-BVI
BVI	Helen	Seymour	Acting Deputy Secretary, Deputy Governor's Office
BVI	Rosemary-Delaney	Smith	Governors Office
BVI	Haley	Trott	Assistant Secretary Ministry of Communication & Works
Jamaica	Samuel	Wedderburn	Team Leader- EBTA for Climate Action Support
St. Lucia	Cointha	Thomas	Permanent Secretary Finance
St. Lucia	Crispin	D'Auvergne	OECS CC and Disaster Risk Management Coordinator
St. Lucia	Ivor	Daniels	Permanent Secretary INFRA, Ports and Energy
St. Lucia	Dawn	French	Deputy Permanent Secretary Ministry of Social

			Equity
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St. Lucia	Albert Jn	Baptiste	Chief Engineer, Department of Infrastructure
St. Lucia	Natalie	Popovic	Civil Engineer, Department of Infrastructure
St. Lucia	Flairra Hunte-Jn	Baptiste	Quantity Surveyor, Department of Infrastructure
St. Lucia	Cletus	Bertin	Executive Director, CARILEC
St. Lucia	Donovan	Williams	Permanent Secretary Ministry of Social Equity
St. Vincent	Michelle V.	Forbes	Director NEMO St. Vincent
TCI	Dr. Virginia	Clerveaux	Director DDME Turks & Caicos

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