

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

JAMAICA

**ADAPTATION PROGRAM AND FINANCING MECHANISM FOR PPCR JAMAICA
(JA-L1048/JA-G1002)**

PROJECT PROFILE

This document was prepared by the project team consisting of: Gerard Alleng (INE/CCS), Team Leader; Ana Rios (INE/CCS); Joseph Milewski (RND/CGU); Sara Valero (INE/CCS); Alejandro Deeb (INE/CCS); Milagros de Pomar (INE/CCS); Paloma Marcos (SCL/GDI); Rajiv Ebanks (CCB/CJA); Wayne Beecher (MIF/CJA); Graham Williams (FMP/CJA); Lila Mallory (FMP/CJA); and Kevin McTigue (LEG/SGO); under the supervision of Walter Vergara, Division Chief of the Climate Change and Sustainability Division (INE/CCS), and Therese Turner Jones, Country Representative, Jamaica (CCB/CJA).

Under the Access to Information Policy, this document is subject to Public Disclosure.

PROJECT PROFILE

I. BASIC DATA

Project Name:	Adaptation Program and Financing Mechanism for PPCR Jamaica		
Project Number:	JA-L1048/JA-G1002		
Borrower:	Jamaica		
Executing Agency:	Ministry of Water, Land, Environment and Climate Change; with coordination by the Planning Institute of Jamaica (PIOJ)		
Financial Plan:	SCF ¹ Loan:	US\$	10,000,000
	SCF ² Grant:	US\$	7,900,000
	Local (in-kind): ³	US\$	2,500,000
	Total:	US\$	20,400,000
Safeguards:	Policies triggered: B.01 (OP-704, OP-102, OP-761), B.02, B.03, B.04, B.05, B.06, B.07, B.08, B.15 and B.17.		
	Classification:	Category “C”	

II. GENERAL JUSTIFICATION AND OBJECTIVES

A. Justification

- 2.1 **Jamaica and climate change.** Jamaica’s geographical location and socio-economic situation makes the island highly vulnerable to the impacts of climate change. These impacts are projected to range from increases in extreme rainfall events, increases in drought events, sea level rise, storm surge, more intense storm events, and increased ambient temperatures. It is anticipated that by 2050, the length of the rainy season will decrease by 7-8%, the length of the dry season will increase by 6-8%, the frequency of intense rains will increase by 20%, and there will be an increase in the frequency of more intense hurricanes.⁴ Although it has recently been reported that a projected timing of climate departure (a shift from historical variability) for Jamaica under alternative greenhouse gas emissions scenarios, will occur either by 2023 or 2028,⁵ this does not suggest that climate change is not already adversely affecting the country. Between 2001 and 2012, damages and losses associated with eleven hydro-meteorological events have exceeded JA\$128.54 billion and have resulted in the loss of life, injury and

¹ Resources are to be financed by the SCF under the Pilot Program for Climate Resilience (PPCR). Availability of resources will be subject to the approval of this project by the PPCR Sub-Committee.

² Ibid. See: <http://www.climateinvestmentfunds.org/cif/ppcr>.

³ This is to be counted as counterpart for the grant portion of the program.

⁴ PIOJ, 2011. Strategic Program for Climate Resilience (SPCR): Document prepared for the PPCR.

⁵ Mora *et al*, 2013. The projected timing of climate departure from recent variability. *Nature*. 502: 183-187.

social dislocation.⁶ Hurricane Ivan in 2004 resulted in damages and losses amounting to JA\$36.9 billion, approximately 8% of GDP.⁷

- 2.2 **Climate change issues for priority sectors of Jamaica.** The vulnerability of the island to climate change occurs across all sectors, primarily affecting water resources, agriculture, health, coastal resources and human settlements, and tourism.⁸ In the water sector, since the country relies heavily on groundwater (84%), it will be affected by sea level rise, changes in rainfall patterns, extreme events and increasing temperatures, which will have significant consequences in water deficit areas such as the Rio Minho Watershed Management Unit (RMWMU). The RMWMU is classified as one of the most severely degraded watersheds in the island according to a national watershed classification and is also considered as a water deficit area. In the agriculture sector, the expected increase in temperature and changing rainfall patterns will result in hilly slopes experiencing additional degradation with increased incidence of drought and intense rainfall; crops will become more exposed to pests and diseases; soil productivity will be reduced over-time; and traditional crops and livestock will also decline, as they may not be able to withstand increased temperatures and other extreme climate conditions.⁹ In the tourism sector, given the often close proximity of the tourism infrastructure to the shoreline and the tendency for beaches to be eroded during severe weatherevents, the built and natural infrastructure is highly vulnerable to the impacts of extreme climatic events and to the slow onset of change associated with sea level rise.¹⁰
- 2.3 Estimates of annual expected losses under different climate scenarios for Jamaica by 2030 – today’s climate, moderate and high change-, indicate percentage losses of 6, 7 and 9 % of total GDP (2009 base year), with the highest risk assets being concentrated in the western part of the island.¹¹ A significant portion of this exposure lies with the tourism and agricultural sectors. Under best and worst case climate scenarios, projected cumulative costs of the impacts of climate change are expected to exceed US\$105.2m and US\$131.3m respectively by 2050.^{12 13}
- 2.4 **Project rationale.** In order to address the emerging challenges of climate change, adaptation will be needed across all sectors of Jamaica’s economy. Currently, there are significant barriers to adaptation in the country, including: (i) inadequate climate data; (ii) high incidence of poverty;¹⁴ (iii) limited financial resources;

⁶ Ibid.

⁷ Climate Studies Group Mona 2012. State of the Jamaican Climate 2012. Produced for the PIOJ.

⁸ Government of Jamaica, 2011. Second National Communication to the United Nations Framework Convention on Climate Change (UNFCCC), June 2011.

⁹ PIOJ, 2011. Strategic Program for Climate Resilience (SPCR): Document prepared for the PPCR.

¹⁰ The sea level rise could be in the upper limit of 1.6 m by the end of the century, significantly affecting the sustainability of the sector. See: Government of Jamaica, 2011. SNC to the UNFCCC, June 2011.

¹¹ CCRIF, 2010. Enhancing the climate risk and adaptation fact base for the Caribbean. Preliminary results of the Economics of Climate Adaptation Report.

¹² UNECLAC, 2011. An assessment of the economic impact of climate change on the agricultural sector in Jamaica.

¹³ UNECLAC, 2011. An assessment of the economic impact of climate change on the tourism sector in Jamaica.

¹⁴ In 2009, it was estimated that 16.5% of Jamaicans were living below the poverty line (Economic and Social Survey Jamaica. 2010).

- (iv) limited regulatory support for integrating climate change; (v) lack of awareness of potential impacts of climate change, measures to build climate resilience, and mechanisms in place to encourage adaptation measures; (vi) weak physical planning; and (vii) limited institutional and individual capacity.¹⁵ The beneficiaries of the project are the people of Jamaica, since the interventions will focus on mainstreaming climate change into development planning, providing information on novel approaches to overcome the challenges of climate change and disseminating lessons learned from community-related interventions. The project intends to generate knowledge on adaptation measures costs and benefits that will be made available to the region under the regional Caribbean PPCR to which the PPCR Jamaica belongs.
- 2.5 The country has already embarked on adaptation initiatives in its development process, which provides a platform for the initiatives under the Pilot Program for Climate Resilience (PPCR). These include: EU/Global Climate Change Adaptation and Disaster Risk Reduction Project, UNEP/Risk and Vulnerability Assessment Methodology Project, and USAID/Jamaica Rural Economy and Ecosystems Adapting to Climate Change. Jamaica's PPCR builds on these initiatives and has been designed based on the lessons learned, and is intended to be scaled-up across other sectors and sections of the country.
- 2.6 **Consistency with National Priorities.** In attempting to mainstream climate change into development planning, the program is aligned with the goals of the 2009 "Vision 2030 Jamaica National Development Plan;" Climate Change Policy Framework and Action Plan Green Paper (2013); Strategic Program for Climate Resilience of Jamaica (2011); The Agricultural Land Use Policy; Jamaica's Second National Communication to the United Nations Framework Convention on Climate Change; and The Strategic Forest Management Plan (2010-2015).
- 2.7 **Consistency with the Country Strategy, Sector Strategy and GCI-9.** The program will contribute to the following lending target areas under the GCI-9: (i) supporting development in small and vulnerable countries; and (ii) climate change, sustainable (including renewable) energy, and environmental sustainability. The operation is also consistent with priorities outlined in IDB's Country Strategy with Jamaica (2012-2014), where climate change adaptation is a cross cutting theme. The operation is also consistent with the Bank's Climate Change Strategy and the Sectoral Framework for Agriculture and Natural Resources Management.
- B. Objectives and Program Components**
- 2.8 **Objective.** The objective of the program is to generate information on approaches to address climate challenges and help mainstream climate change into development planning and processes as well as to disseminate results across sectors. The program is structured in three components.

¹⁵ Government of Jamaica, 2013. The Climate Change Policy Framework and Action Plan Green Paper (2013); SPCR, 2011.

- 2.9 **Component I: Mainstreaming of Climate Change for Adaptation Measures.** The objective of this component is to assist in the mainstreaming of climate change into development plans and planning processes and demonstrate adaptation measures in a vulnerable watershed. The information generated will be available throughout the region and will help illustrate the costs and benefits of alternative adaptation actions. The component will finance: (a) the mainstreaming of climate change in local, sectoral and national plans together with (b) adaptation measures that represent novel approaches prioritized by communities in the Rio Minho watershed as core components of a basin-wide adaptation management plan for the watershed. This includes: (i) implementation of land management and soil conservation measures; and (ii) implementation of livelihood and resilience building activities that are distinctly additional to commonly established practices and that will generate publically available information. The results of the implementation of these measures will be used to provide information on the costs and benefits of new adaptation approaches, which will constitute a common good for communities in Jamaica. The viability of the specific investments within the adaptation measures to be implemented in the project area will be reviewed during the project design and development, and will be aligned with IDB's Strategy for Mitigation and Adaptation to Climate Change and for Sustainable and Renewable Energy (GN-2609-1) and the Sector Framework Document on Agriculture and Natural Resources Management (GN-2709-1) as part of GN-2609-1. Previous Bank's experience with past projects will be taken into account and lessons learned will be incorporated in the design of the specific investments.
- 2.10 **Component II: Creation of Financial Mechanisms.** The objective of this component is to create innovative climate financial mechanisms to help support climate resilience within Micro, Small and Medium Size Enterprises following lessons learned from similarly designed programs.¹⁶ The component will finance: (i) the establishment of an adaptation line of credit made available through a local financial institution to support the implementation of adaptation initiatives by the private sector and community based organizations; and (ii) the establishment of a climate change trust fund to be available to non-government organizations, community based organizations and select public sector entities. The information and experience obtained will be useful to design and develop future approaches.
- 2.11 **Component III: Knowledge Management.** The objective of this component is to develop a knowledge management program for Jamaica's PPCR.¹⁷ The documentation of methodologies and techniques, dissemination of lessons learned and good practices in order to help the scaling up of initiatives to other communities/areas in Jamaica will be financed.

¹⁶ An example could be the Vietnam Green Credit Trust Fund which was designed in a similar manner and targeting the same type of audience. This is an initiative to promote medium- and long-term investments of SMEs in clean energy technologies to achieve environmental improvements (<http://www.climatefinanceoptions.org/cfo/node/312>).

¹⁷ The focus of the knowledge management will cover the creation and sharing of information generated from the Jamaica national PPCR program.

III. TECHNICAL ISSUES AND SECTOR KNOWLEDGE

- 3.1 A key issue for the program is to utilize information from, build-on, and integrate with ongoing adaptation projects in Jamaica, particularly in agriculture, tourism and ecosystem management. Focus will be given to integrate and collaborate with initiatives on climate change under the Caribbean regional track of the PPCR.
- 3.2 A main challenge for the program will be its coordination since various agencies will be involved in the implementation of its activities. The overall coordination of the program will be the responsibility of the PIOJ, with the execution of activities being the responsibility of the Ministry of Water, Land, Environment and Climate Change, given the thematic area of climate change of the program.

IV. SAFEGUARDS AND FIDUCIARY SCREENING

- 4.1 Based on the guidelines of the Environmental and Social Safeguards Compliance Policy (OP-703), this operation is classified as “C.” The Environmental and Social Strategy (ESS) may involve the preparation of an Environmental Assessment and the completion of a Disaster Risk Classification along with an Impact Classification, given Jamaica’s exposure to Natural Disasters. Also, a Disaster Risk Assessment may be required, and in the ESS, potential impacts and risks related to biodiversity, gender (including vulnerable groups), and other environmental and social aspects will be assessed. Specific arrangements will also be made to monitor the overall environmental and socio-economic benefits.

V. OTHER ISSUES

- 5.1 The project’s outputs and outcomes will be monitored and reported on a regular basis using key indicators established in an approved PPCR results framework. This Framework contains five core indicators which all PPCR pilot country and regional programs are required to report on at the level of their investment plans. As part of the monitoring and evaluation of the program, an impact evaluation will be built into the design and execution of the operation. There is also the intention to try to utilize the program to leverage grant resources under the Caribbean Investment Facility (CIF) of the European Commission.

VI. RESOURCES AND TIMETABLE

- 6.1 The distribution of the Proposal for the Operation Development to the Quality and Risk Review Committee is expected to take place in June 2014. Approval by the Board is estimated to take place in September 2014. Administrative budget to accomplish the preparation of this operation has been provided by the CIFs. Annex V of this document details costs and timeline for the program’s preparation steps, the milestone dates, and resources required.

CONFIDENTIAL

¹ The information contained in this Annex is confidential and will not be disclosed. This is in accordance with the "Deliberative Information" exception referred to in paragraph 4.1 (g) of the Access to Information Policy (GN-1831-28) at the Inter-American Development Bank.

SAFEGUARD POLICY FILTER REPORT

PROJECT DETAILS	
IDB Sector	ENVIRONMENT AND NATURAL DISASTERS-CLIMATE CHANGE ADAPTATION POLICY
Type of Operation	Investment Loan
Additional Operation Details	
Investment Checklist	Generic Checklist
Team Leader	Alleng, Gerard P. (GERARDA@iadb.org)
Project Title	Adaptation Program&Financing Mechanism for PPCR Jamaica
Project Number	JA-L1048/JA-G1002
Safeguard Screening Assessor(s)	Alleng, Gerard P. (GERARDA@iadb.org)
Assessment Date	2014-02-03

SAFEGUARD POLICY FILTER RESULTS		
Type of Operation	Loan Operation	
Safeguard Policy Items Identified (Yes)	Activities to be financed by the project are in a geographical area and sector exposed to natural hazards* (Type 1 Disaster Risk Scenario).	(B.01) Disaster Risk Management Policy– OP-704
	The Bank will make available to the public the relevant Project documents.	(B.01) Access to Information Policy– OP-102
	Does this project offer opportunities to promote gender equality or women's empowerment through its project components?	(B.01) Gender Equality Policy– OP-761
	The operation is in compliance with environmental, specific women's rights, gender, and indigenous laws and regulations of the country where the operation is being implemented (including national obligations established under ratified Multilateral Environmental Agreements).	(B.02)
	The operation (including associated facilities) is screened and classified according to their potential environmental impacts.	(B.03)
	The Borrower/Executing Agency exhibits weak institutional capacity for managing environmental and social issues.	(B.04)
	Other environmental and social sustainability issues that the Project Team considers to be a risk for this operation. (e.g. wood sourced from Amazon	(B.04)

	rainforest).	
	The project is specifically designed to increase the capacity of human social and ecological systems to adapt to a changing climate.	(B.04)
	The project includes activities to close current “adaptation deficits” or to increase the capacity of human social and ecological systems to adapt to a changing climate.	(B.04)
	An Environmental Assessment is required.	(B.05)
	Consultations with affected parties will be performed equitably and inclusively with the views of all stakeholders taken into account, including in particular: (a) equal participation of women and men, (b) socio-culturally appropriate participation of indigenous peoples and (c) mechanisms for equitable participation by vulnerable groups.	(B.06)
	The Bank will monitor the executing agency/borrower’s compliance with all safeguard requirements stipulated in the loan agreement and project operating or credit regulations.	(B.07)
	Affects natural resources of a country not involved in the project, including areas such as waterways, coastal marine resources, protected areas, regional air shed and/or aquifers.	(B.08)
	Any part of the investment or component(s) is being co-financed.	(B.15)
	Suitable safeguard provisions for procurement of goods and services in Bank financed projects may be incorporated into project-specific loan agreements, operating regulations and bidding documents, as appropriate, to ensure environmentally responsible procurement.	(B.17)
Potential Safeguard Policy Items(?)	No potential issues identified	
Recommended Action:	Operation has triggered 1 or more Policy Directives; please refer to appropriate Directive(s). Complete Project Classification Tool. Submit Safeguard Policy Filter Report, PP (or equivalent) and Safeguard Screening Form to ESR. The project triggered the Disaster Risk Management policy (OP-704). A	

	<p>Disaster Risk Assessment (DRA) may be required (see Directive A-2 of the DRM Policy OP-704) in case of high risk, a limited DRA in case of moderate risk. Next, please complete a Disaster Risk Classification along with Impact Classification.</p> <p>The project triggered the Other Risks policy (B.04): climate risk. Please include sections on how climate risk will be dealt with in the ESS as well as client documents (EIA, EA, etc); Recommend addressing risks from gradual changes in climate for the project in cost/benefit and credit risk analyses as well as TORs for engineering studies.</p>
Additional Comments:	

ASSESSOR DETAILS	
Name of person who completed screening:	Alleng, Gerard P. (GERARDA@iadb.org)
Title:	
Date:	2014-02-03

SAFEGUARD SCREENING FORM

PROJECT DETAILS	
IDB Sector	ENVIRONMENT AND NATURAL DISASTERS-CLIMATE CHANGE ADAPTATION POLICY
Type of Operation	Investment Loan
Additional Operation Details	
Country	JAMAICA
Project Status	
Investment Checklist	Generic Checklist
Team Leader	Alleng, Gerard P. (GERARDA@iadb.org)
Project Title	Adaptation Program&Financing Mechanism for PPCR Jamaica
Project Number	JA-L1048/JA-G1002
Safeguard Screening Assessor(s)	Alleng, Gerard P. (GERARDA@iadb.org)
Assessment Date	2014-02-03

PROJECT CLASSIFICATION SUMMARY		
Project Category: C	Override Rating:	Override Justification:
		Comments:
Conditions/ Recommendations	<input type="checkbox"/> No environmental assessment studies or consultations are required for Category "C" operations. <input type="checkbox"/> Some Category "C" operations may require specific safeguard or monitoring requirements (Policy Directive B.3).Where relevant, these operations will	

	<p>establish safeguard, or monitoring requirements to address environmental and other risks (social, disaster, cultural, health and safety etc.).</p> <p><input type="checkbox"/> The Project Team must send the PP (or equivalent) containing the Environmental and Social Strategy (the requirements for an ESS are described in the Environment Policy Guideline: Directive B.3) as well as the Safeguard Policy Filter and Safeguard Screening Form Reports.</p>
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SUMMARY OF IMPACTS/RISKS AND POTENTIAL SOLUTIONS

Identified Impacts/Risks	Potential Solutions
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DISASTER RISK SUMMARY

Disaster Risk Category: Moderate	
Disaster/ Recommendations	<ul style="list-style-type: none"> • The reports of the safeguards policy filter (SPF) and the safeguard classification, i.e. the safeguard screening form (SSF) constitute the Disaster Risk Profile to be included in the Environmental and Social Strategy (ESS). Project Team must send to the ESR the PP (or equivalent) containing the ESS. • Moderate disaster risk operations do not require a full Disaster Risk Assessment (DRA) (see Directive A-2 of the DRM Policy OP-704). On the basis of pertinent information, a Disaster Risk Management Summary is prepared by the borrower, concentrating comprehensive information on the specific moderate disaster risks associated with the project and the risk management measures proposed by the Borrower. The Project Team arranges for addressing risk reduction proposals in the engineering and insurance review (if applicable) during project analysis or due diligence by the sector expert or the independent engineer. The potentially exacerbated risks for the environment and population and the risk preparedness measures are included in the Environmental and Social Management Report (ESMR), and reviewed by the ESG expert or the environmental consultant. The results of these analyses are reflected in the general risk analysis for the project. Regarding project implementation, monitoring and evaluation, the project team identifies and supervises the approaches which the project executing agency applies to DRM. • The disaster risk management specialists in INE/RNE may be consulted in the process, in particular for country and other disaster risk related information and standards. Climate change adaptation specialists in INE/CCS may be consulted for influence of climate change on existing and new natural hazard risks. If the project needs to be modified to increase resilience to climate change, consider the (i) possibility of classification as adaptation project and (ii) additional financing options. Please consult the INE/CCS adaptation group for guidance.

SUMMARY OF DISASTER IMPACTS/RISKS AND POTENTIAL SOLUTIONS

Identified	Potential Solutions
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Impacts/Risks	
Tropical Storms are prevalent and the likely severity of impacts is moderate.	When moderate storm loss risks for the project during execution and operation, and potential exacerbated risks for people and the environment are confirmed in the (limited) DR assessment taking into account the modifying influence of climate change, the appropriate measures to reduce the risks (predominantly engineering), to prepare for impact (predominantly environmental and social safeguards) and to include financial protection are examined, proposed and reviewed.
Landslides are prevalent in unstable or destabilized slopes and the likely severity of impacts is local or moderate.	When land slide and subsistence risks for the project during execution and operation, and potential exacerbated risks for people and the environment are confirmed in the (limited) DR assessment taking into account the modifying influence of climate change, the appropriate measures to reduce the risk, (predominantly engineering), to prepare for impact (predominantly environmental and social safeguards) and to include financial protection are examined, proposed and reviewed.
Droughts are recurrent and the likely severity of impacts is moderate.	When moderate drought risks for the project during execution and operation, and potential exacerbated risks for people and the environment are confirmed in the (limited) DR assessment taking into account the modifying influence of climate change, the appropriate measures to reduce the risks, (predominantly engineering), to prepare for impact (predominantly environmental and social safeguards) and to include financial protection are examined, proposed and reviewed.
Wild fires abetted by droughts and high winds are recurrent and the likely severity of impacts is moderate	When wild fire risks for the project during execution and operation, and potential exacerbated risks for people and the environment are confirmed in the (limited) DR assessment taking into account the modifying influence of climate change, the appropriate measures to reduce the risks, (predominantly engineering), to prepare for impact (predominantly environmental and social safeguards) and to include financial protection are examined, proposed and reviewed.
Decreases in moderate moisture and precipitation and the likely severity of impacts is moderate.	Future modified water availability for drinking water, irrigation etc. is addressed appropriately in the hydrological assessment, and the risks for the project's viability are taken into account. The appropriate measures of adaptation (predominantly alternative project design and engineering) are examined, proposed and reviewed.
Reduction or prolongation of rainy season and the likely severity of impacts is moderate.	Future modified water availability for drinking water, irrigation etc. is addressed appropriately in the hydrological assessment, and the risks for the project's viability are taken into account. The appropriate measures of adaptation (predominantly alternative project design and engineering) are examined, proposed and reviewed.

DISASTER SUMMARY	
Details	Actions
<p>The Project should include the necessary measures to reduce disaster risk to acceptable levels as determined by the Bank on the basis of generally accepted standards and practices. Alternative prevention and mitigation measures that decrease vulnerability must be analyzed and included in project design and implementation as applicable. These measures should include safety and contingency planning to protect human health and economic assets. Expert opinion and adherence to</p>	<p>The project triggered the Other Risks policy (B.04): climate risk. Please include sections on how climate risk will be dealt with in the ESS as well as client documents (EIA, EA, etc); Recommend addressing risks from gradual changes in climate for the project in cost/benefit and credit risk analyses as well as TORs for engineering studies.</p>

international standards should be sought, where reasonably necessary.	
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ASSESSOR DETAILS	
Name of person who completed screening:	Alleng, Gerard P. (GERARDA@iadb.org)
Title:	
Date:	2014-02-03

ENVIRONMENTAL AND SOCIAL STRATEGY

Project name: Adaptation Program and Financing Mechanism for PPCR Jamaica

Project number: JA-L1048/JA-G1002

Project Team: Gerard Alleng (INE/CCS), Team Leader; Ana Rios (INE/CCS), Alternate Team Leader; Sara Valero (INE/CCS); Alejandro Deeb (INE/CCS); Wayne Beecher (MIF/CJA); Joseph Milewski (RND/CGU); Kevin McTigue (LEG/SGO); Graham Williams (FMP/CJA); Lila Mallory (FMP/CJA); Paloma Marcos (SCL/GDI); Rajiv Ebanks (CCB/CJA); and Milagros de Pomar (INE/CCS), under the supervision of Walter Vergara, Chief of the Climate Change and Sustainability Division (INE/CCS), and Therese Turner Jones, Country Representative, Jamaica (CCB/CJA).

Borrower: Government of Jamaica (GoJ).

Executing Agency: Ministry of Water, Land, Environment and Climate Change (MWLECC), in collaboration with the Planning Institute of Jamaica (PIOJ).

Financing Plan:

PPCR ¹ Loan:	US\$	10,000,000
PPCR Grant:	US\$	7,900,000
Local (in-kind):	US\$	2,500,000
Total:	US\$	20,400,000

Safeguards: IDB safeguards policies and directives apply to this operation, including: (i) the Disaster Risk Management Policy (OP-704 – B.01, B.02, B.03, B.04, B.05, B.06, B.07, B.08, B.15, B.17); (ii) the Access to Information Policy (OP-102 – B.01); (iii) the Gender Equality Policy (OP-761 – B.01); and (iv) the Other Risks Policy (B.04).

Classification: This operation was classified as C.

I. PROJECT DESCRIPTION

The general objective of the program is to generate information on approaches to address climate challenges and help mainstream climate change into development planning and processes and disseminate results across sectors. The specific objectives are to mainstream climate change in developing planning, implement adaptation measures and the use of financing instruments in specific economic sectors and create a knowledge platform for the PPCR program. The program is structured in three components.

- a. Mainstreaming of climate change adaptation measures. The aim of this component is to finance the: (a) mainstreaming of climate change in local, sectoral and national plans together with (b) adaptation measures prioritized by communities in the Rio Minho watershed as core components of a basin-wide adaptation management plan for the Rio Minho watershed

¹ Pilot Program for Climate Resilience resources provided by the Climate Investment Funds (CIFs)

- b. Creation of financial mechanisms. The objective of this component is create innovative climate financial mechanisms to help support climate resilience within Micro, Small and Medium Size Enterprises (MSMEs) following lessons learned from similarly designed programs under the Development Bank of Jamaica.
- c. Knowledge Management. The objective of this component is to finance the documentation of methodologies and techniques, dissemination of lessons learned and good practices in order to help the scaling up of initiatives to other communities in Jamaica.

II. STRATEGY FOR ENVIRONMENTAL AND SOCIAL ANALYSIS

2.1 Although the environmental and safeguards screening has resulted in a “C” classification, several policies were triggered, i.e. (i) the Disaster Risk Management Policy (OP-704); (ii) the Access to Information Policy (OP-102); (iii) the Gender Equality Policy (OP-761); and (iv) the Other Risks Policy. Therefore, it is anticipated that the following may be required:

- An Environmental Assessment.
- Consultations with affected parties which should be performed equitably and inclusively with the views of all stakeholders taken into account, including in particular: (a) equal participation of women and men; (b) socio-culturally appropriate participation of indigenous peoples; and (c) mechanisms for equitable participation by vulnerable groups.
- A Disaster Risk Assessment (DRA) and a Disaster Risk Classification along with an Impact Classification.
- Specific clarification on how climate risk will be addressed.

2.2 The environmental and social strategy of the Program will include systematic environmental and social considerations particularly gender in the design and execution of activities to be implemented.

2.3 Additionally, the team wants to implement an impact evaluation for the program.

A. Systematic consultation of key stakeholders during design and execution

- Initial community focus groups and site visits have been conducted with a few communities in the project area during December 2012. The objective of this consultation was to gather information on the communities’ level of understanding about climate change and its impacts on their livelihoods. The CRiSTAL methodology was utilized during focus groups and sight visit interviews.
- Key communities within the project area are - Reckford, Sandy River, Tate, Kellits Brandon Hill, Mahoe Hill, Colonel's Ridge, Friendship, Croft's Hill, Morgan's Pass Red Hills, Byrans Hill, Ballard's River, Pennants. Detailed consultations are projected during the design and execution phase of the program

B. Strong and systematic involvement of the Planning Institute of Jamaica (PIOJ) and the Ministry of Water, Land, Environment and Climate Change (MWLECC).

- The PIOJ in collaboration with MWLECC will be responsible for monitoring and evaluation of the program in accordance with its role as focal point for the coordination of the Climate Investment Funds (CIFs) Pilot Program for Climate Resilience (PPCR) activities.
- PIOJ will be responsible for:
 - i. Monitoring and evaluation of the socio-impact of the program
 - ii. Reporting on the implementation of the PPCR program to the CIFs Administrative Unit.
- The MWLECC will be responsible for:
 - i. The execution of the program through its climate change division.

2.4 The monitoring of the social and gender issues, considering at least the following:

Indicators	Unit
Women, head of household, benefiting from a masonry check-dam on or near farm plots	Women
Number of SMES headed by women receiving financial benefits	Women
Women working on the construction of small infrastructure interventions	Woman/days

C. Preparation of a Disaster Risk Assessment

2.5 Jamaica is located with the Atlantic hurricane belt and is high vulnerability to the effects of tropical storms and hurricanes. It is also associated with the Gonave micro-plate tectonic region of the Caribbean and is usually affected by about 200 earthquakes in and around the country per year, most of which are minor, having magnitudes less than 4.0. Actions will be taken to ensure compliance with IDB's climate change strategy and Disaster Risk Management Policy (OP-704).

D. Preparation of an Environmental and Social Management Report

2.6 The findings of the above will be used to prepare an Environmental and Social Management Report (ESMR) to be submitted to ESR for review at POD stage.

INDEX OF COMPLETED AND PROPOSED SECTOR WORK

Issues	Description	Expected Dates	References & Hyperlinks to technical files
Technical options and design aspects	Jamaica Strategic Program for Climate Resilience (SPCR) (2011)	Completed	Jamaica SPCR
	Pilot Program For Climate Resilience: Jamaica’s PPCR Phase I Financing Proposal (2010)	Completed	PPCR Financing Proposal
	Second National Communication of Jamaica to the United Nations Framework Convention on Climate Change (2011)	Completed	Second National Communication to UNFCCC
	Vision 2030 Jamaica: National Development Plan – Planning for a Secure and Prosperous Future (2009)	Completed	Vision 2030 Jamaica
	Climate Change and Agriculture in Jamaica: Agriculture Sector Support Analysis. FAO document in collaboration with the IDB and Government of Jamaica (2013)	Completed	Climate Change and Agriculture in Jamaica
	Report on Climate Change, Knowledge, Attitude and Behavioral Practice Survey in Jamaica (2012).	Completed	CCKAPSurvey
	Case study: Jamaica Impact of climate change on Jamaican hotel industry supply chains and on farmer’s livelihoods. International Center for Tropical Agriculture (CIAT), 2011.	Completed	CIAT Study on CC and agriculture in Jamaica
	Enhancing the climate risk and adaptation fact base for the Caribbean. Preliminary results of the Economics of Climate Adaptation Study. CCRIF, 2010	Completed	ECA Study
	Green Paper: Climate Change Policy Framework and Action Plan: Government of Jamaica Ministry of Water, Land, Environment and Climate Change November 2013	Completed	Climate Change Policy and Action Plan
	Review of Policy, Plans, Legislation and Regulations for Climate Resilience in Jamaica.	Completed	Review of Climate Change Regulations

Issues	Description	Expected Dates	References & Hyperlinks to technical files
	State of the Jamaican Climate 2012. Information on Building Resilience. Climate Studies Group, Mona (CSGM), University of the West Indies.	Completed	State of the Jamaican Climate 2012
	Assessment of economic impact of climate change on the agricultural sector in Jamaica. UNECLAC (2011)	Completed	UNECLAC Report on Agriculture and CC
	Assessment of economic impact of climate change on the health sector in Jamaica. UNECLAC (2011)	Completed	UNECLAC Report on Health and CC
	Assessment of economic impact of climate change on the tourism sector in Jamaica. UNECLAC (2011)	Completed	UNECLAC Report on Tourism and CC
Cost analysis and economic viability of the Program	Data required to develop economic viability of the program.	January 2014	Term of Reference
Financial management and fiduciary issues	No special fiduciary issues are anticipated.	NA	
Data collection and analysis for reporting the results	Identification of proposed indicators to measure impact of program	March 2014	
Ex-post cost-benefit analysis	Ex-post cost-benefit analysis will be performed to compare results of the initial cost-benefit analysis of the program.	TBD	

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¹ The information contained in this Annex is confidential and will not be disclosed. This is in accordance with the "Deliberative Information" exception referred to in paragraph 4.1 (g) of the Access to Information Policy (GN-1831-28) at the Inter-American Development Bank.