

CARIBBEAN REGIONAL RESILIENCE BUILDING FACILITY



GFDRR
Global Facility for Disaster Reduction and Recovery



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Caribbean Physical and Financial Resilience Building Program

Context and Objectives

Caribbean countries are exposed to high levels of risk from meteorological and geophysical hazards, which have significant negative impacts on their economic and fiscal stability. These natural hazards are being exacerbated by the adverse impacts of climate change - intensifying hazard patterns and increasing stress on water availability, coastal investments and livelihoods. Within the Caribbean, direct damages due to natural disasters have averaged almost US\$1.6 billion per year over the last 20 years. The high costs of recovery and reconstruction have resulted in increased debt, unsustainable budgetary deficits and unreliable funding streams for many countries in the Caribbean.

Building code implementation has a crucial role to play in disaster risk reduction. The application of standards for safe siting and construction supports a shift from managing disasters to reducing underlying risks. In developed economies, building code compliance is also a factor of growth and sustainability of the property insurance industry. With appropriate coordination, both regulations and property insurance reinforce one another to achieve risk reduction in the physical environment. In countries with effective property insurance systems, the feasibility of underwriting is always facilitated by the competence of the local regulatory authority in assuring both code compliance and reasonably predictable building performance under prescribed loads. Since neither lenders nor insurers have the capacity to manage plan review or site inspection independently, the presence of a competent regulatory system and an adequate building code makes this type of leverage for public safety possible.

This project aims to increase financial resilience and incentivize physical resilience in the housing sector, such that both risk financing and physical risk reduction are fully complementary and reinforce each other.

Main Activities

- Completion of Building Regulatory Capacity Assessments.
- Development of an inventory of assets.
- Creation of a probabilistic risk assessment model and system.
- Model sensitivity analyses.
- Recommendations and support technical assistance.
- Innovative financial products.
- Scope of regional services.
- Strategic support for the regional host organizations.

Results

Several activities were undertaken:

- i. A Working Group was created at the onset of the project, made up of CDEMA, CCRIF-SPC, the OECS, the CARICOM Regional Organization for Standards and Quality, and the Caribbean Development Bank. This working group helps to maintain alignment among all stakeholders on the various activities under the project. It also serves as the foundation of a regional service center to support the expansion of building regulatory capacity across the region. Dialogue with regional stakeholders

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will continue to illuminate the types of services that could be provided to national level stakeholders to enhance their capacity to implement building regulation. In this light, a technical assistance procurement selection for a regional training program has been initiated to develop a regional training program strategy for building professionals and building officials as well as complementary course curriculum.

- ii. Discussions within the Working Group have improved coordination between regional entities on advancing resilient building regulation and DRF in the region. A toolkit entitled *Building Regulatory Benchmark Tool and Building Code Index* and a *Building Code Index* are being developed to enable a qualitative and quantitative evidence-based approach towards determining additional high priority technical assistance needs.
- iii. A Country Disaster Risk Profile for **Dominica** has been developed and an inventory associated with the \$40 million World Bank *Housing Recovery Project* for Dominica has been produced. This inventory will support planned progress for the financial product in Dominica, by enabling design and pricing of the product.
- iv. Support to CCRIF-SPC has entailed the development of an inventory of assets for **Dominica**, incorporating survey data. A workshop with relevant stakeholders from the government was organized on 13 August 2021, bringing together 11 people including 4 women. Further, the project has supported CCRIF SPC in identifying the scope of work and potential consultants able to produce the component for a probabilistic risk assessment model relating to resilience-building projects. This will contribute to enabling CCRIF to model risks in support of the design of the innovative financial product.

Partnerships and Coordination

The project is undertaken by the World Bank partners with technical advisory support from the regional partners including the Caribbean Disaster Emergency Management Agency (CDEMA), the CARICOM Regional Organization for Standards and Quality (CROSQ), the Caribbean Development Bank (CDB), and the Organization of Eastern Caribbean States (OECS).

Country

Dominica. Activities implemented in up to 5 CARICOM countries

Caribbean Regional Resilience Building Facility component

Expanding Financial Protection Against Disasters in the Caribbean Sovereign Countries

Amount approved

EUR 988,473 / \$1,150,143

Duration

08/2020-02/2023