

## Saint Lucia – Strengthening Financial Protection

### Country

Saint Lucia

### EURECa Component

Strengthen Financial Protection

### Amount approved

€225,000 / \$235,000

### Duration

08/2024 – 03/2028

### Context and Objectives

Saint Lucia is an upper middle income small island state with high vulnerability to external shocks, including natural disasters. Given its geographic location on the path of the Atlantic hurricane belt and rugged topography characterized by mountains, steep slopes, deep valleys and low-lying coastal areas, the country is highly exposed to hydro-meteorological and geological hazards and the impacts of climate change. Deforestation, fragile ecosystems, dilapidated urban centers and infrastructure, squatter settlement and urban developments in disaster prone areas have exacerbated the country's vulnerability to adverse natural events.

The objective of this project is to enhance Saint Lucia's capacities in understanding, developing, and using the most adequate disaster risk financing instruments and strategies. It will complement and support the preparation and implementation of a US\$20 million Disaster Risk Management Development Policy Credit with Catastrophe Deferred Drawdown [Option](#).

### Main Activities and Expected Results

#### **Strengthening the legal framework for improved resilience**

This activity focuses on identifying vulnerabilities within the built environment and proposing policy measures that enhance abilities to withstand and recover from disasters. This is being accomplished through support in the formulation of environmental and social impact assessment regulations, physical planning regulations, and a national spatial data infrastructure policy.

#### *Expected Results:*

- Strengthened environmental, social, and physical resilience planning and enhanced disaster preparedness and recovery.
- Improved capabilities to predict potential disaster impacts, accurately map disaster impacts, and prepare recovery plans.

#### **Strengthening fiscal resilience**

This component aims to improve public financial management and public finance efficiency by supporting the strengthening of fiscal policies, and financial management systems. Specifically, this involves support for the development of a risk-based asset management system, contingency fund operating guidelines, and a DRF framework and implementation plan.



*Expected Result:*

- Enhanced financial planning and climate change resilience through the use of updated guidelines and strategies.

**Communications and knowledge management**

This component aims to improve communication and knowledge sharing to enhance decision making and coordination for technical assistance.

*Expected Results:*

- Informed decision-making and strategic resilience planning among regional counterparts and government officials.
- Increased awareness of critical issues, emerging trends, and DRM best practices among stakeholders and communities.

**Partnerships and Coordination**

The World Bank implements the project in close coordination with the Ministry of Finance, Economic Development and the Youth Economy. The project team coordinates its efforts with the EU Delegation in Barbados.