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DISASTER RISK FINANCING

CONTRACTOR(S)/GRANTEE(S): **THE WORLD BANK**

DURATION: JUNE 2021 - JUNE 2022

TOTAL PROJECTED INVESTMENT: \$5,000,000

FUNDING SOURCE: **DEVELOPMENT ASSISTANCE**

Jamaica's vulnerability to natural disasters threatens the country's development gains. To preserve these gains and to further Jamaica's self-reliance, USAID/Jamaica, the Government of Jamaica, the World Bank and other donors combined their resources to enhance Jamaica's disaster risk financing portfolio. With \$5 million from USAID, \$14.85 million from the Global Risk Financing facility, more than \$300,000 from the GoJ, the World Bank was able to issue the first catastrophe bond solely for Jamaica. The bond raised more than \$185 million that is available for response and recovery efforts in the wake of a qualifying natural disaster. The cat bond uses market forces to address a gap in Jamaica's DRF portfolio, augment the \$16 million Jamaica has already set aside for disasters, and also paves the way for Jamaica to use its own resources to extend the bond in the future.