Sustainable Finance Index 2020

Jamaica

GFLAC
### Sustainable Finance Index

It is a tool which allows to rank countries according to income and expenditures linked to fight climate change and sustainable development; likewise countries who could have and adverse impact. The Index is made up of 4 variables: 1) Sustainable Income (includes cooperation and financing disbursed by climate change bilateral and multilateral sources); 2) Carbon-Intensive Income (includes hydrocarbon, mining and fossil fuel income); 3) Sustainable Budgets (includes budget assigned to climate change, energy efficiency, renewables and energy management); and 4) Carbon-Intensive Budgets (includes assigned budget to oil and gas exploitation). The Index is supported by other 30 economic, social and environmental indicators. For more information about the SFI and the methodology applied, visit: sustainablefinance4future.org

#### Summary of Results SFI:
Jamaica has institutional settlements and a policy framework to attend climate change, despite not counting with a specific law. Has Nationally Determined Contributions, conditional and unconditional, the later are referred to actions that could be covered with own resources. It is 3 of 21 countries with sustainable finance (medium-high) according to the SFI, this is an average result of the performance in four variables of evaluation, shown in the following graphs.

#### 1. República Dominicana
2. Colombia
3. Bolivia
4. Costa Rica

#### 16. El Salvador
17. República Dominicana
18. Argentina
19. Panamá
20. Uruguay
21. Panamá

#### Country status:
- Ranking among the 21 biggest emitter countries in Latin America and the Caribe:
  - Ranks position 16a for total CO2 emissions from fossil fuels burn (AIE, 2018)
  - Ranks position 19a for total GHG emissions (includes all sectors) (WRI, 2017)

#### Status of Nationally Determined Contributions at the United Nations Framework Convention on Climate Change:
1. NDC submitted in 2017
2. NDC revised version in 2020

#### Type of contributions:
- Conditional and Unconditional

#### Quantitative contribution of mitigation in NDCs:
- Contribution (2017): Reduction of 10% to 2030 (based on the trend scenario)
- Unconditional contribution (2020): Reduction of 35,4% by 2030 (based on trend scenario)
- Conditional contribution (2020): 28,5% by 2030.

Includes adaptation measures: No

Estimated costs of NDCs: Not available

#### Legal framework on climate change:
Not identified as a specific law, there is a Policy Framework to Climate Change

#### Institutional settlements for Climate Change:
- Climate Change Focal Point Network
- Climate Change Advisory Committee

#### Budget transparency:
Ranks position 13 of 21 countries evaluated in the Open Budget Index (IBF, 2019).
Jamaica has high human development according to UNDP, ranks 14 of 21 countries. Regarding the Gender Gap, it ranks in medium level with respect to the 21 countries, being in position, likewise with multidimensional poverty, ranking position 11. On the side of mortality rate due to pollution is low, ranking position 17 of 21 countries. It ranks position 7 regarding unemployment, with a rate of 8.00%, remarkably above the global mean (5.3% according to the World Bank).

Jamaica ranks as a country with low risk to climate change impacts in 2018, despite in general terms it is one of the most vulnerable. Whilst it has a low rate of natural resources depletion, ranking 18 of 21 countries.

Jamaica ranks 16 of 21 total GHG emissions due to fossil fuels burn and 6 in per capita emissions. Their emissions come mainly from the energy sector. It is a country with medium low energy per capita with respect to 21 countries being in position 16. In position 15 of renewables, it represents only 17%, with major consumption of fossil fuels energy with 81% of the total.
Economic indicators

### Public finances

- **Gross Domestic Product (GDP) (BM, 2019)**
  - Position: 20 of 21 countries
  - Total budget: 15.710 millions USD

- **Gross Domestic Product per capita (BM, 2019)**
  - Position: 16 of 21 countries
  - Per capita GDP: 5,925 USD

- **Total Income Raised (2019)**
  - Position: 20 of 21 countries
  - Total income: 5.675 millions USD

- **Income per capita (2019):**
  - Position: 13 of 21 countries
  - Per capita income: 1.925 USD

- **Budget per capita (2019):**
  - Position: 12 of 21 countries
  - Per capita budget: 2.046 USD

### Development financing

- **Development financing in 2018 (Aid Atlas, 2020)**
  - Total committed: 224 millions of USD
  - Total disbursed: 319 millions of USD

- **Development financing focused on climate change in 2018**
  - From total disbursed: 1.53%

- **Development financing from GCF (GCF, 2020)**
  - TOTAL to 2020: 4 millions USD
  - Number of financed projects: 1
    - Mitigation: 1
    - Adaptation: 0
    - Preparation projects: 5
    - Amount committed: 1.8 millions de USD
    - Amount committed: 1,0 millions de USD

- **Development financing from GEF (GEF, 2020)**
  - TOTAL to 2020: 24.2 millions USD
  - Number of financed projects: 19
    - Type of projects: 19
    - Number of financed projects of climate change: 9
    - Position: 19 of 21 countries as recipients of FMAM funds.

- **Development financing from CIF (CIF, 2020)**
  - TOTAL to 2020: 39.6 millions USD
  - Number of financed projects: 4
    - Type of projects: Climate Resilience Programme
    - Position: 11 of 21 countries as recipients of CIF funds

- **Financing from GEF**
  - Income from GEF: 24.2 millions USD

- **Financing from GCF**
  - Income from GCF: 4 millions USD

- **Financing from CIF**
  - Income from CIF: 39.6 millions USD

### Financing and international cooperation

- **Financing received from the Inter American Development Bank (IDB, 2020)**
  - TOTAL to 2020: 601 millions USD
  - Number of financed projects to date: 397
  - Active projects (until 2020): 14
  - Environmental projects (active): 1 of 14

- **Financing received from the Green Climate Fund (GCF, 2020)**
  - TOTAL to 2020: 4 millions USD
  - Number of financed projects: 1
    - Type of projects: Mitigation: 1
    - Adaptation: 0
    - Preparation projects: 5
    - Amount committed: 1.8 millions de USD
    - Amount committed: 1,0 millions de USD

- **Financing received from the Global Environmental Facility (GEF, 2020)**
  - TOTAL to 2020: 24.2 millions USD
  - Number of financed projects: 19
    - Type of projects: 19
    - Number of financed projects of climate change: 9
    - Position: 19 of 21 countries as recipients of FMAM funds.

- **Financing from the Climate Investment Funds (CIF, 2020)**
  - TOTAL to 2020: 39.6 millions USD
  - Number of financed projects: 4
    - Type of projects: Climate Resilience Programme
    - Position: 11 of 21 countries as recipients of CIF funds

Jamaica ranks position 13 as recipient of disbursed financing of 21 countries. Whilst it ranks position 11 as recipient of climate change financing. Jamaica ranks 16 as recipient of bilateral cooperation on climate change between 2008-2018. It is a recipient country of GCF, GEF and CIF financing. Also as IDB financing recipient of which there is only one active project associated with the environment.
Sustainable budget labelled for climate change, energy efficiency, renewable energy and natural disasters (2019): 34,7 millions USD representing 0.58% of the total budget in 2019.

In 2019 the sustainable budget from Jamaica 0.58% of the Central Government budget with 0.3% of the assigned budget to climate change, 0.2% to energy efficiency, 0.0004 to renewables and 1.12% to natural disasters.

In terms of budget assigned to key sectors, 1.47% of all the budget focused in the environmental sector, the climate labeled represented 24.33% of the total.

The energy sector received 0.40% of the total budget from which 1.07% dwent to renewable energy and energy efficiency.

Finally, the Ministry of Local Government and Community Development in charged of attending natural disasters in Jamaica, represented 1.61% of the total country budget; from which 8.84% was assigned to natural disasters.
In 2019, 0.11% of the income from the Central Government of Jamaica came mainly from taxes and non taxed exploration and extraction of minerals. Neither Hydrocarbon income nor fuels taxation not identified.

The carbon-intensive budget represented 33.20% of the total in the energy sector, 1,1 times less than the total budget focused on renewable energy and energy efficiency in the sector.

The carbon-intensive budget meant 0.001% of total country, twice less than the total budget focused on renewables and energy efficiency.

In 2019, the carbon-intensive income (hydrocarbon, mining and fossil fuels) was 1.2 times higher than the income from international sustainable finance (which includes all bilateral and multilateral sources explicitly focussed in climate change for 2018). That carbon-intensive income was 0.02 times higher than finance disbursed for development.

In 2019, a budget focused on hydrocarbons represented 0.13% from the Central Government budget, it means 4.5 times less than the country sustainable budget, made up of investment labeled to climate change, energy efficiency, renewables and natural disasters.

Logically, to transform public investment and to contribute to low carbon development and climate resilience, it was recommended that countries ought to invest at least 2% of their GDP in climate change (Stern, 2008). If this would be accomplished, Jamaica would rise in this budget to 5.21% from total, however, the identified investment was of 0.58%. It is possible that other resources could contribute to 5.21%, but some sectors do not account for labeled actions, something to be evaluated in future SFI editions. Notwithstanding, the main objective is to align all flux to the Pari Agreement.

**Recommendations:**

- Continue decarbonizing the public finances
- Increase public investment in sustainable actions and attention to climate change, to reach an assigmentation of at least 2% of the GDP.
- Promote the public financial system to be aligned with Article 2.1.c from the Paris Agreement, about making compatible financial fluxes with low carbon development and climate resilience.
- Increase renewable energy investment and energy efficiency.
- Build a taxonomy and methodology to integrate climate change in the public investment transversally, so as to ease governability and accountability.
- Increase transparency levels and data disaggregation in climate change and sustainable development budgets, including public finances in open access.
- Estimate costs of mitigation and adaptation action to guide financing and international cooperation.
- Build a National Strategy of Sustainable Finances and a system to measure, report and verify the variety of sources of financing; to monitor and identify gaps and needs of investment.

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Natural resources depletion: Natural resources depletion is the sum of forests net depletion, energy depletion and minerals depletion. World Bank 2018 data available on https://data.worldbank.org/indicator/NV.ADJ.DRES.GNI ZS

Inter-American Development Bank: Refers to total financing obtained from IDB until 2020, available on https://www.iadb.org/en/paises/argentina/estrategia-y-representacion

Gender gap: The gender gap examines globally the disparity between men and women in four main categories: participation and economic opportunities, educational achievements, health and survival, and political empowerment.


Fossil fuels consumption (% total energy): Energy consumption from fossil fuels with respect to the total of country energy consumption. Data from the World Bank for 2014 available on https://data.worldbank.org/indicator/EG.USE.COMM.PC.ZS?locations=AR

Energy per capita consumption (MWh/per capita). Energy per capita consumption is an intensity measure as a result of energy national consumption (MWh), and population (expressed in inhabitants). International Energy Agency data for 2018 available on https://www.iea.org/data-and-statistics?country=CHILE&fuel=CO2%20emissions&indicator=Electricity%20consumption%20per%20capita

Renewable energy consumption (% total energy consumed): Energy consumed from renewables respect to the total of consumed energy in the country.

Human Development: A synthetic indicator of achievements obtained in meaningful dimensions of human development, such as, long and healthy living, acquiring knowledge and enjoying a decent standard of living. UNDP data for 2019, available on http://hdr.undp.org/sites/default/files/hdr_2019_overview_es.pdf


CO2 total emissions (Tons): Carbon dioxide total emissions (belong to fossil fuel burn, cement production and change in land use and forestry emissions).


Gross Domestic Product (GDP): The GDP measures the monetary value of goods and services. It is the sum of all goods and services produced during a specific period of time, and divided among the whole of residents. World Bank data for 2019 available on https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=VE

GDP per capita consumption (% total GDP): Energy per capita consumption is a measurement for the quality of life.

Human Development Indicators: Energy per capita consumption is a measurement of the quality of life.

Gross Domestic Product (GDP) per capita: It refers to the development financing focused on climate change. At ITASL from SEI data for 2018 available on https://aid-atlas.org/

Finance for development: It is formed by all finance and monetary finances, bilateral and multilateral allocated to developing countries.


Global Environmental Facility (GEF): It refers to the financing obtained from GEF, including the number and type of projects.

Development financing for climate change: It refers to development financing focused on climate change. At ITASL from SEI data for 2018 available on https://aid-atlas.org/

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Global Environmental Facility (GEF): It refers to the financing obtained from GEF, including the number and type of projects. Data from GEF until 2020 available on https://www.thegef.org/country

Green Climate Fund (GCF): Se refers al financiamiento total obtenido del FVC, incluye número de proyectos y tipo de proyectos. Datos del FVC actualizados hasta 2020 disponible en https://www.greenclimatefund.org/countries

Climate Investment Funds (CIF): It refers to financing obtained from CIF, it includes number and project types. Data from CIF until 2020 available on https://www.climatfininvestments.org/country

Mortality attributed to air pollution: Mortality rate attributed to environmental and home pollution (number of deaths attributed to linked effects with environmental pollution and home in a year per 100,000 inhabitants). Data from World Bank for 2019 available on https://data.worldbank.org/indicator/SP.POP.TOTL


Gross Domestic Product (GDP): The GDP measures the monetary value of goods final services - produced by a country in a specific period, divided among the whole of residents. World Bank data for 2019 available on https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=VE


Development financing for climate change: It refers to development financing focused on climate change. At ITASL from SEI data for 2018 available on https://aid-atlas.org/