Sustainable Finance Index 2020

Jamaica

GFLAC
Grupo de Financiamiento Climático LAC

Sustainable Finance for the future

Sustainable Finance Index 2020

Jamaica

Country status:

Ranking among the 21 biggest emitter countries in Latin America and the Caribe:

- Ranks position **16a** for total CO_2 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:
1a NDC submitted in 2017
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 25,4% 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 (IBP, 2019).

Sustainable Finance Index

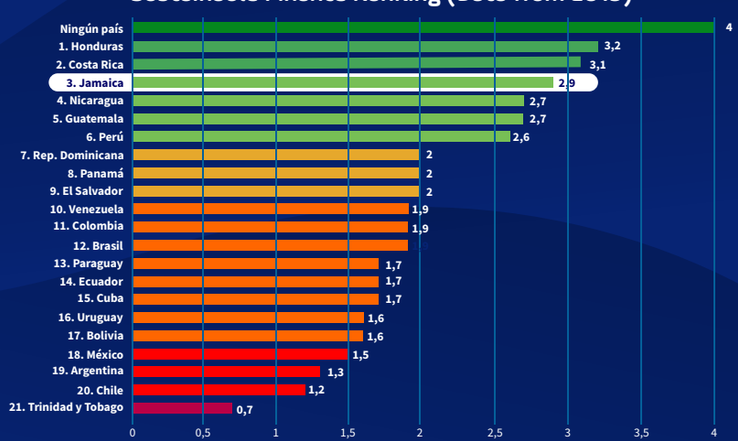
It is a tool which allows to rank countries according to income and expenditures linked to fight climate change and sustainable development; likewise countries who could have and adverse impact. The Index is made up of 4 variables: 1) Sustainable Income (includes cooperation and financing disbursed by 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 disaster 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:

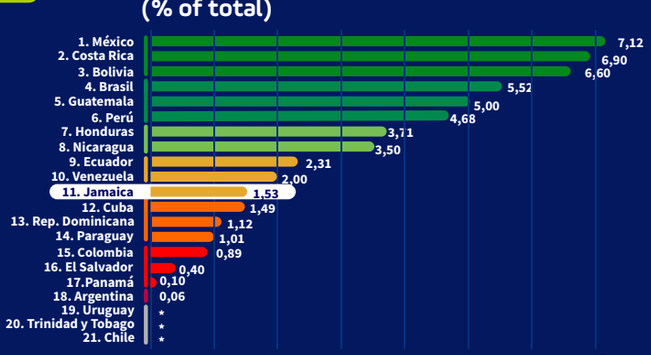
Jamaica has institutional settlements and a policy framework to attend climate change, despite not counting with a specific law. Has Nationally Determined Contributions, conditional and unconditional, the later are referred to actions that could be covered with own resources. It is 3 of 21 countries 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.

Nota 1: Todas las referencias comparativas se basan en los 21 países de estudio, siendo estos los de mayores emisiones de gases de efecto invernadero en la región.
Nota 2: La presente edición del Índice se basa en datos de financiamiento público nacional e internacional.

Sustainable Finance Ranking (Data from 2019)

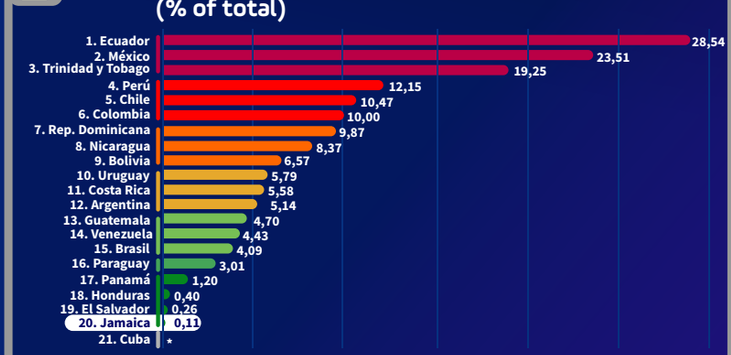


Ranking of Sustainable Income (% of total)



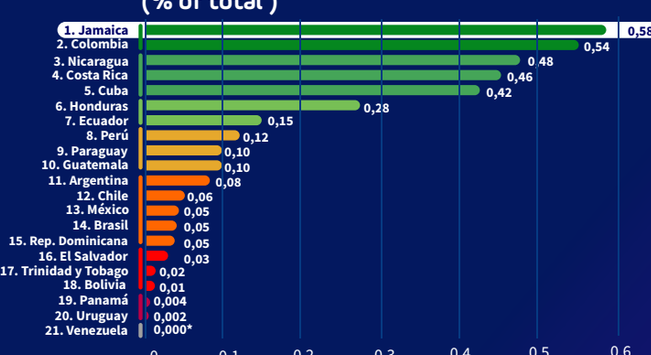
(*) No data available
Ranks position **11** of **21** about sustainable income (foreign)
Category "MEDIUM"

Ranking of Carbon-Intensive Income (% of total)



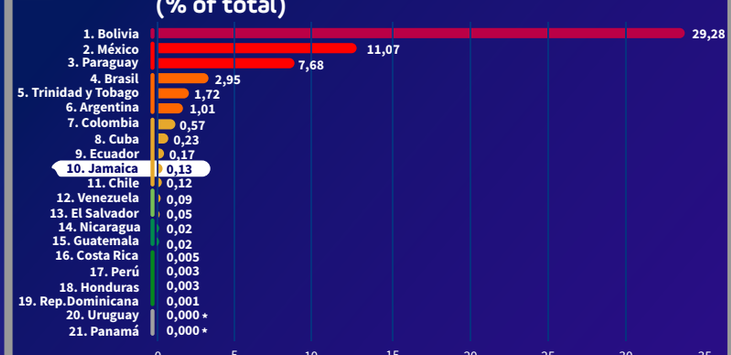
(*) No data available
Ranks position **20** of **21** about carbon-intensive income
Category "VERY LOW"

Ranking of Sustainable (% of total)



(*) No data available
Ranks position **1** of **21** about sustainable budget
Category "VERY HIGH"

Ranking of Carbon-Intensive Budget (% of total)



(*) No budget target
Ranks position **10** of **21** about carbon-intensive income
Category "MEDIUM"

Social Indicators

Population (BM, 2019)
Position: 20 of **21** countries with 2.948.280 inhabitants

Unemployment rate (BM, 2019)
Position: 7 of **21** countries with a rate of 8.00% (annual)

Mortality due to atmospheric pollution (BM, 2019)
Position: 17 of **21** countries with 25,40 deaths per muertes 100.000 inhabitants (annual)

Human Development Index (UNDP, 2020)
HIGH HUMAN DEVELOPMENT
Position: 14 of **21** countries and position 96 of 189 globally

Gender Gap Index (WEF, 2020)
Position: 9 of **21** countries and position 41 of 153 globally

Multidimensional poverty Index (OPHI, 2020)
Position: 11 of **21** country

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).

Environmental indicators

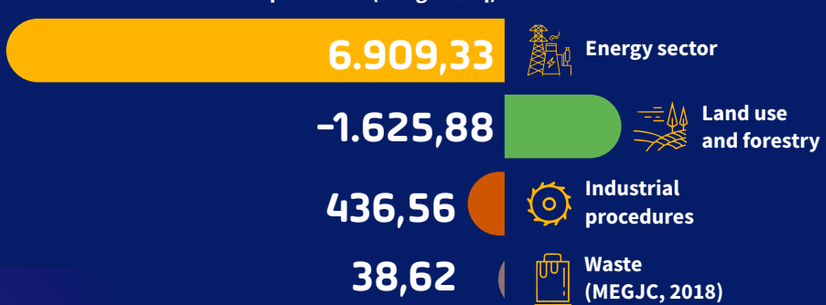
Climate Risk Index (Germanwatch, 2020 with data from 2018)
Position: 20 of **21** countries and position 128 among 181 countries globally with a score of 109,50/100 (country with low risk in front of climate change associated impacts)

Natural Resources Depletion (BM, 2019)
Position: 18 of **21** countries with depletion rate of 0,27% GNI (annual)

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.

Greenhouse gasses emissions

CO_2 emissions per sector (in GgCO2eq):



Co2 emissions (IEA, 2018):
Position: 16 of **21** countries with 8.200.000 tons of CO_2

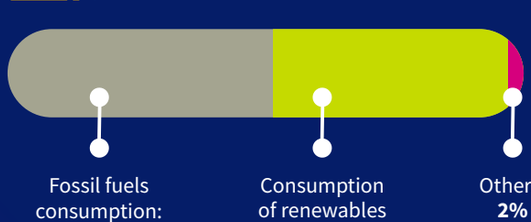
Position: 6 of **21** countries with a total of 2,8 tons of CO_2 per capita

Total energy consumption per capita (IEA, 2018)
Position: 16 of **21** countries with total of 1,10 MWh/capita

Fossil fuels consumption (BM, 2014)
Position: 8 of **21** countries with a total of 81% energy consumed

Consumption of renewables (BM, 2014)
Position: 15 of **21** countries with total of 17% of total energy consumption

Energy consumption from fossil fuels vs. renewables



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
with 15.710 millions USD of the GDP

Gross Domestic Product per capita (BM, 2019)
Position: 16 of **21** countries
with 5.329 USD of their GDP per capita

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

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

Assigned budget (2019)
Position: 20 of **21** countries
with 6.033 millions USD of total budget

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

Financing and international cooperation

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

Position: 13 of **21** as recipient of total financing disbursed

Bilateral financing for mitigation:
4,91 millones de USD
Bilateral financing for adaptation:
275.454 USD

Development financing focused to climate change in 2018 (from total disbursed)
1,53%

Position: 11 of **21** countries who receive financing for development focused on climate change as total percentage (includes all bilateral and multilateral donors)

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
Both: 0

Preparation projects: 5
Amount committed: 1,8 millones de USD
Amount committed: 1,0 millones de USD

Position: 17 of **21** countries as recipients of GCF funds.

Financing received from Global Environmental Facility (GEF, 2020)
TOTAL to 2020: 24,2 millions USD

Number of financed projects: 19
Number of financed projects of climate change: 9

Positión: 19 of **21** countries as recipients of FMAM funds.

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 (projects not registered for 10 of 21 countries)

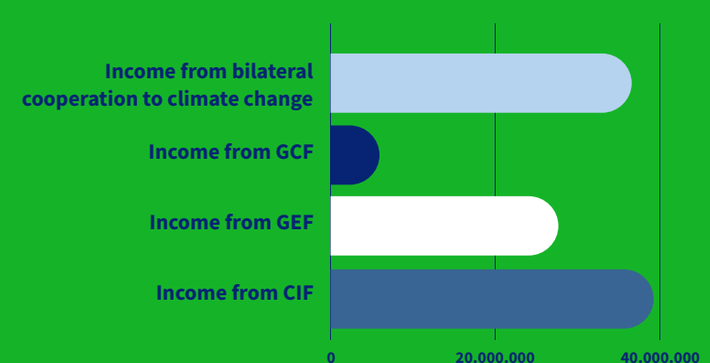
Financing received from the Inter American Development Bank (IDB, 2020)
TOTAL to 2020: 601 millions USD

Number of financed projects to date: 397
Active projects (until 2020): 14
Environmental projects (active): 1 of 14

Position: 19 of **21** countries as recipient of financing from the IDB

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.

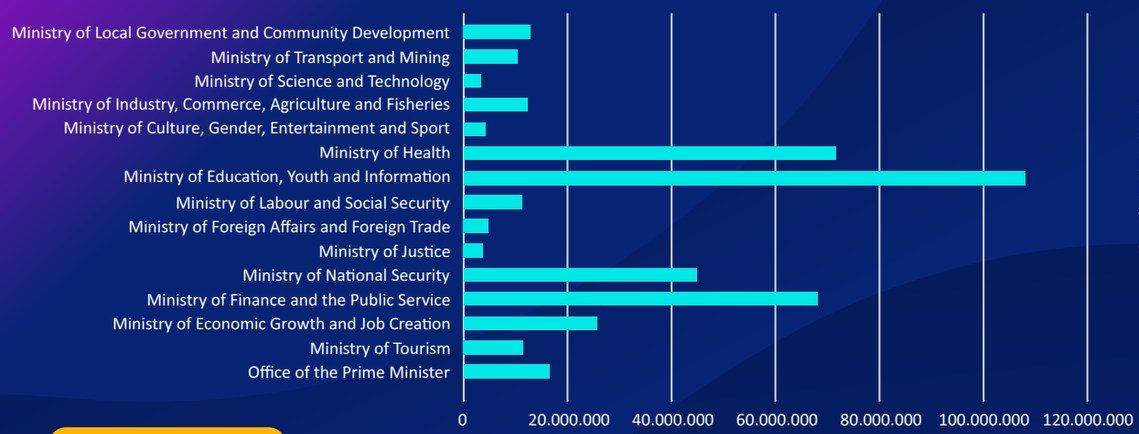
Comparison of income associated with climate change by main international sources



Income from bilateral cooperation to climate change (AOD):
36,8 millions USD
Income from GCF: 4 millions USD
Income from GEF: 24,2 millions USD
Income from CIF: 39,6 millions USD

Sustainable budget

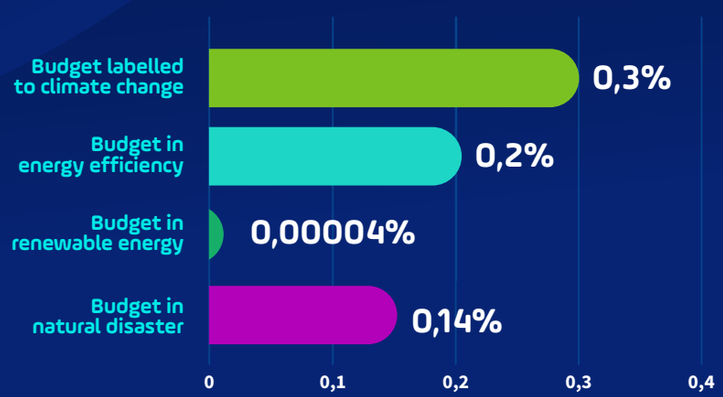
Budget assigned for strategic sectors in Jamaica (Jamaican dollars dólares 2019)



Source: Ministry of Finances and Public Service (2019). This graph illustrates the assigned budget in strategic sectors which contextualize the evaluation in this index.

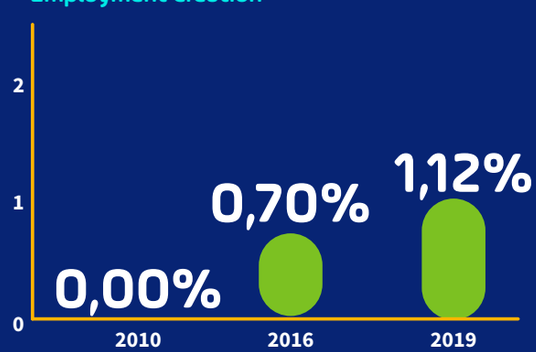
Sustainable Budget

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



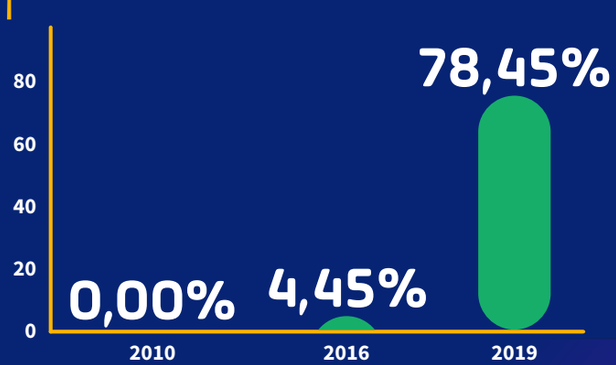
Trajectories

Budget labelled for climate change in the Ministry of Economic Growth and Employment Creation



Trajectories

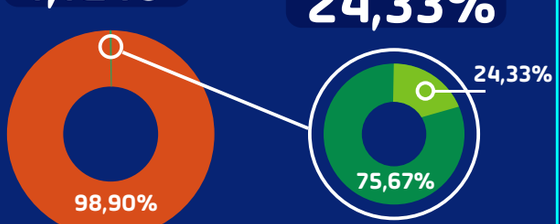
Budget labelled for renewable energy in the Prime Minister Office



Sustainable budget: climate change

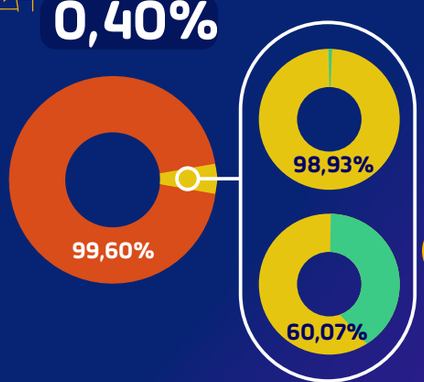
Budget in the environmental sector with respect to the total country (2019)
1,12%

Budget labelled for climate change in the environmental sector(2019)
24,33%



Sustainable budget: energy transition

Budget of the energy sector total country (2019)
0,40%



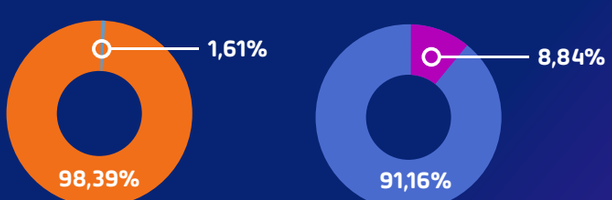
Budget labeled for renewables in the energy (2019)
1,07%

Budget labeled as energy efficiency in the energy sector (2019)
39,93%

Sustainable budget: natural disasters

Budget from Ministry of Local Government and Community Development with respect to total country (2019)
1,61%

Budget labeled for natural disasters in the Ministry of Local Government and Community Development (2019)
8,84%

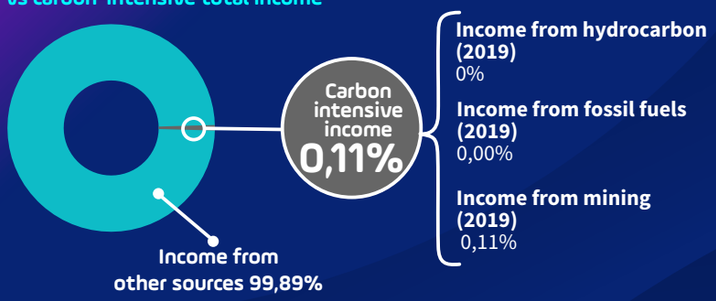


- In 2019 the sustainable budget from Jamaica 0,58% of the Central Government budget with 0,3% of the assigned budget to climate change, 0,2% to energy efficiency, 0,0004 to renewables and 1,12% to natural disasters.
- In terms of budget assigned to key sectors, 1,47% of all the budget focused in the 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% dwnet 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.

Carbon-intensive public finances

Carbon-intensive income

Public income (% from total)
Carbon-intensive income vs carbon-intensive total income

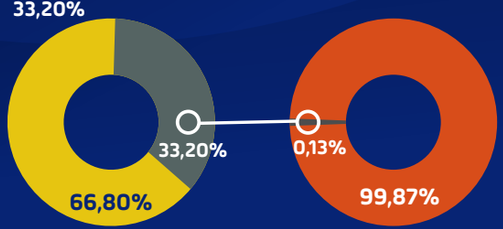


- In 2019, 0,11% of the income from the Central Government of Jamaica came mainly from taxes and non taxed exploration and extraction of minerals. Neither Hydrocarbon income nor fuels taxation not identified.

Carbon-intensive budget

Budget for hydrocarbons in the energy sector (2019): 33,20%

Public budget in hydrocarbons (2019) 0,13%

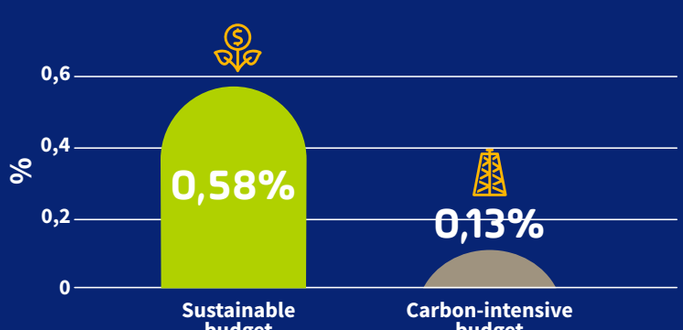


- The carbon-intensive budget represented 33,20% of the total in the energy sector, 1 time less tna total sum of the budget focused on renewable energy and energy efficiency in the sector.
- The carbon-intensive budget meant 0,001% of total country, twice less than the total budget focused on renewables and energy efficiency.

Jamaica case summary:

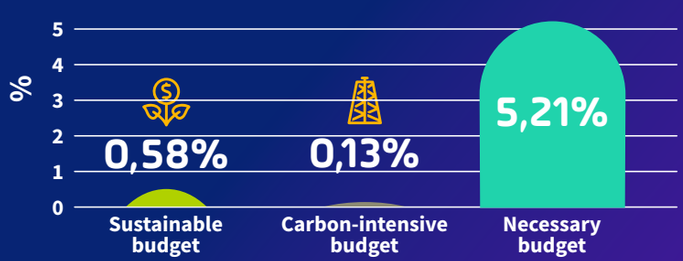
- In 2019, the carbon-intensive income (hydrocarbon, mining and fossil fuels) was 1,2 times higher than the income from international sustainable finance (which includes all bilateral and multilateral sources explicitly focussed in climate change for 2018). That carbon-intensive income was 0,02 times 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.

Comparison between sustainable budget vs carbon-intensive budget (2019)
Sustainable budget: 34,7 millions USD
Carbon-intensive budget: 8,1 millions USD



Estimated budget (2% de PIB) in 2019: 314,2 millions USD, equivalent to 5,21% of country income in 2019
34,7 millions vs 314,2 millions

Comparison between sustainable budget vs. carbon-intensive budget in front of 2% of GDP scenery



Budget distribution (2019)

Recommendations:

- Continue decarbonizing the public finances
- Increase public investment in sustainable actions and attention to climate change, to reach an assignation 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.
- Rise 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.

Glossary and bibliography

Environmental, economic, and social indicators:

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/NY.ADJ.DRES.GN.ZS

Interamerican Development Bank: Refers to total financing obtained from IDB until 2020, available on https://www.iadb.org/es/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. World Economic Forum data (2020) for 2019 available on http://www3.weforum.org/docs/WEF_GGGR_2020.pdf

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 avaialble on en https://data.worldbank.org/indicator/EG.USE.COMM.FO.ZS?locations=AR

Energy per capita consumption (MWh/per cápita): 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=VENEZUELA&fuel=Energy%20consumption&indicator=Electricity%20consumption%20per%20capita

Renewable energy consumption (% total consumed energy): Energy consumed from renewables respect to the total of consumed energy in the country. World Bank data for 2015 available on https://data.worldbank.org/indicator/EG.USE.COMM.FO.ZS?locations=AR

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_-_spanish.pdf

GHG Emissions: it refers to reported emissions in strategic sectors. In Jamaica case they are based on the Thirth Communitacion to the UNFCCC avaialble on disponible en https://unfccc.int/sites/default/files/resource/TNC_Final_December132018.pdf

Per capita emissions (CO2) (Tons): Total carbon dioxide emissions divided by the population number. Data from the International Energy Agency on https://www.iea.org/data-and-statistics?country=CHILE&fuel=CO2%20emissions&indicator=Total%20CO2%20emissions

CO2 total emissions (Tons): Carbon dioxide total emissions (belong to fossil fuel burn, cement production and change in land use and forestry emissions). Data from the International Energy Agency for 2018 available on https://www.iea.org/data-and-statistics?country=CHILE&fuel=CO2%20emissions&indicator=Total%20CO2%20emissions

GHG total emissions (MtCO2eq): greenhouse gasses emissions in thousand of tons of carbon dioxide equivalent. Data from the World Resources Institute for 2017, available on https://www.climatewatchdata.org/ghg-emissions?end_year=2017&start_year=1990

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 refiere al financiamiento total obtenido del FVC, incluye número de proyectos y tipo de proyectos. Datos del FVC actualizados hasta 2020 disponible en https://www.greenclimate.fund/countries

Climate Investment Funds (CIF): It refers to financing obtained from CIF, it includes number and project types. Datas from CIF until 2020 available on https://www.climateinvestmentfunds.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 2016 available on https://data.worldbank.org/indicator/SH.STA.AIRP.P5

NDC: Nationally Determined Contributions submitted to the United Nations Framework Convention on Climate Change (UNFCCC). Jamaican NDC revised in 2020 available on https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Jamaica%20First/Updated%20NDC%20Jamaica%20-%20ICTU%20Guidance.pdf

Population: Total population based on independent residents with legal status or citizenship. Data from World BanK for 2019 available on https://data.worldbank.org/indicator/SP.POP.TOTL

Multidimensional poverty: Average of the population in multidimensional poverty, adjusted to hardships intensity. UNDP and OHDI data for 2019 available on https://ophi.org.uk/wp-content/uploads/UNDP_OPHI_2020_G-MPI_Charting_SPA_C.pdf

Gross Domestic Product (GDP) per capita: The GDP measures monetary value of goods and final services - the ones that the last customer acquires - produced by one country in a specific period, divided among the total of inhabitants. World Bank data for 2019 available on https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=VE

Gross Domestic Product (GDP): The GDP measures the monetary value of goods final services - produced by a country in a specific period (i.e. per term or year), and counts the whole generated product among its frontiers. World Bank data for 2019 available on https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=VE

Climate Risk: Climate Risk Index from Germanwatch is an evaluation based on trusted data available about the effects of extreme meteorological phenomena and socio economic associated data. Germanwatch available on https://www.germanwatch.org/sites/germanwatch.org/files/20-2-01e%20Global%20Climate%20Risk%20Index%202020_16.pdf

Total employment: Labour force ratio available and searching for jobs. World Bank data for 2019 available on https://datos.bancomundial.org/indicador/SL.UEM.TOTL.ZS?end=2019&locations=BO&start=1991

Budget transparency: Qualification granted by the International Budget Partnership (evaluates availability online, promptness and exhaustivity of eight key budgeting documents). IBP data for 2019, available on https://www.internationalbudget.org/sites/default/files/2020-04/2019_Ranking_EN.pdf

Public finances indicators:

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

Financing for development: It is formed by all finance and monetary finances, bilateral and multilateral allocated to developing countries. Ait ATLAS from SEI for 2018 data, available on https://aid-atlas.org/

Fossil fuels income: Fiscal income from taxes implemented to fuels trading. Not registered for Jamaica in 2019.

Hydrocarbon income: Fiscal income from exploration and extraction of petrol and gas. Not registered for Jamaica in 2019.

Fiscal income from exploration and extraction of minerals. Ministry of Finance and the Public Service (2019), available on https://mof.gov.jm/budgets/revenue-estimates.html

Total income: estimated income. Ministry of Finance and the Public Service (2019), available on https://mof.gov.jm/budgets/revenue-estimates.html

Climate change budget: Public investment labeled to climate change in the environmental sector budget assigned. Ministry of Finance and the Public Service, available on https://mof.gov.jm/budgets/annual-and-supplementary-estimates.html

Natural disasters budget: Assigned budget to the Ministry of Finance and the Public Service for natural disasters available on https://mof.gov.jm/budgets/annual-and-supplementary-estimates.html

Energy efficiency budget: Public investment for energy efficiency assigned in the energy sector. Ministry of Finance and the Public Service, available on https://mof.gov.jm/budgets/annual-and-supplementary-estimates.html

Renewable energy budget: Public investment for renewable energy assigned to the energy sector. Ministry of Finance and the Public Service, available on https://mof.gov.jm/budgets/annual-and-supplementary-estimates.html

Hydrocarbon budget: Public investment for gas and petrol assigned in the energy sector. Ministry of Finance and the Public Service, available on https://mof.gov.jm/budgets/annual-and-supplementary-estimates.html

Strategic sectors budget: Budget assigned to various ministries. Ministry of Finance and the Public Service, disponible en https://mof.gov.jm/budgets/annual-and-supplementary-estimates.html

Sustainable budget: The sum of labeled budget for climate change in the environmental sector, and the budget labeled renewable energy and energy efficiency in the energy sector.

Total budget: Estimated investment from central government plus investment for public energy business. Ministry of Finance and the Public Service, available on https://mof.gov.jm/budgets/annual-and-supplementary-estimates.html

Notice: The SFI is based on the academic work Guzmán, Sandra (2020) **Incorporation of climate change in publix budgets in developing countries:** A mixed methodological study applied to countries from Latin America and the Caribe. Department of Politics, Univesity of York. p. 233.

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