Global Facility for Disaster Reduction and Recovery

New Initiative to
Enable / Accelerate the Implementation
of the Hyogo Framework for Action

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The World Bank
Development and Risks understood through long learning process

Institutional Capacity
Human Development
Environment
Poverty
Governance
Risks
Sustainability

from

Post WWII IBRD Reconstruction Infrastructure

Complexity

to

Poverty Vulnerability MDGs
Reconstruction always a large portion of World Bank activity

Since 1984

- 110 countries borrowed
- More than US$ 26 Billion
- 528 projects
- Concentrated-
  - 10 borrowers = 40% of loans,
  - 10 largest loans = 32% of lending
- Reconstruction focus
  - 21 prevention projects
- 25% multiple disasters
- Growing focus on women, marginal groups, the poor
Growing share of Dedicated Reconstruction portfolio

Share of World Bank Portfolio in Natural Disaster Lending (in 5 year increments)

- 1984 to 1988: % of Bank Lending
- 1989 to 1993: % of Bank Lending
- 1994 to 1998: % of Bank Lending
- 1999 to 2003: % of Bank Lending
Disasters are a Development Issue

- Erode development gains
- Affect the poor more
- Major impact
- Are predictable 80% of GDP in risk areas
- Increasing damage in 1990s 15 times than of 1950s
- Concentrated: 86 countries 30+% GDP at risk
Disasters are Growing in Number and Destructiveness

Increasing numbers  Increasing losses

![Graph showing increasing numbers of disasters and increasing losses over time.](image-url)
Climate-related disasters are growing more

<table>
<thead>
<tr>
<th>Hazards</th>
<th>Mean number of persons affected for one killed (1974-88)</th>
<th>Mean number of persons affected for one killed (1989-2003)</th>
<th>Proportion of change between the two periods</th>
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</thead>
<tbody>
<tr>
<td>Drought</td>
<td>119,883</td>
<td>44,748</td>
<td>-63%</td>
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<tr>
<td>Earthquake</td>
<td>20,780</td>
<td>8,143</td>
<td>-61%</td>
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<tr>
<td>Heat wave</td>
<td>2,545</td>
<td>14,915</td>
<td>+486%</td>
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<tr>
<td>Flood</td>
<td>9,503</td>
<td>11,763</td>
<td>+24%</td>
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<tr>
<td>Slides</td>
<td>1,193</td>
<td>335</td>
<td>-72%</td>
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<td>Volcano</td>
<td>5,395</td>
<td>11,960</td>
<td>+121%</td>
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<tr>
<td>Wave/surge</td>
<td>61</td>
<td>3,096</td>
<td>+497%</td>
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<tr>
<td>Wildfire</td>
<td>995</td>
<td>2,523</td>
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<td>Windstorm</td>
<td>5,977</td>
<td>21,225</td>
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<tr>
<td>total</td>
<td>11,526</td>
<td>13,706</td>
<td>+19%</td>
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Source: EMDAT
Lessons from the Disaster Reconstruction Portfolio  1/3

Independent evaluation of last 20 years WBG

- Crucial activities for vulnerability reduction take more than 3 years
- Vulnerability reduction / prevention have weak demand
- Early actions have major impact & need planning
- Often immediate funding is needed & is diverted from long term program
- Insurance against hazards does not exist in poor countries/ is unaffordable
Lessons from the Disaster
Reconstruction Portfolio  2/3

Some positive findings

- WB demonstrate flexibility 60+ types of projects
- WB deals with multiple sectors
- Work with donors in a shared response Mitch 1999, Turkey 2000
- Projects have higher outcome & sustainability than average
Lessons from the Disaster
Reconstruction Portfolio  3/3

Some negative findings

- Reactive & tactical, not proactive & strategic in Country Assistance Strategy
- Emergency 3 year interventions sometimes rushed & not optimized
- Recovery for the poor requires special action & needs better documentation
- No mechanism to bring experienced staff & relevant knowledge to borrowers & teams
Recommendations from the Disaster Reconstruction Portfolio

- Prepare a strategy for Disaster assistance
- Revise policy to address the risk management needs of borrowers
- Increase Bank capacity to respond quickly
- Participate to the development of instruments to finance risk transfers
- Mainstream risk management as part of prudent public governance
Lessons from the Indian Ocean Tsunami and great Hanshin-Awaji Earthquake

The knowledge is with distinguished delegates from the affected countries

- Sources of funding have diversified & private contributions are larger than traditional IFIs. US$5.8 BI allocated will be spent by 2009, about 1,500 projects
- Multiplicity of institutions bring complexity – more than 300
- Common policies, practices and pre-arranged coordination procedures are needed
- National Governments need a level of preparedness and an emergency plan

- Mandates all partners to contribute to reverse trends in vulnerability & disaster losses by 2015
Global Facility for Disaster Reduction and Recovery

- Builds networks, global & regional partnerships & fosters coordination at all levels
- Mainstreams risk identification, reduction & transfer
  - in Development Strategies
  - in National Long Term Development Strategies
- Links effectively with Poverty Reduction
- Is embedded in the UN / ISDR system
- Bridges knowledge gap in risk identification, reduction & transfer and preparedness
- Helps stimulate demand for disaster mitigation, vulnerability reduction and adaptation to climate change

World Bank contribution of Intellectual, Technical & Financial Leadership
Global Facility for Disaster Reduction and Recovery

**TRACK 1** Supports ISDR to develop a coherent and coordinated approach to risk reduction

**TRACK 2** Assists natural disaster hotspot countries to mainstream disaster risks in development strategies

**TRACK 3** Provide speedy and predictable recovery financing in disaster stricken low-income countries
A partnership between the World Bank and the Inter-agency Secretariat of the International Strategy for Disaster Reduction UN/ISDR

- Enhance global & regional advocacy
- Support partnerships & knowledge management for mainstreaming hazard risk management
- Promote standardization & harmonization of hazard risk management tools, methodologies & practices
- US$ 5 million from the World Bank - DGF
Track I: Main Features

Not a World Bank product
Under the leadership of the ISDR
Provides for global and regional advocacy, partnership and knowledge sharing programs and projects with regional intergovernmental organizations as key implementation partners
Promotes global public-private dialogue on disaster reduction activities
Regional Risk Reduction programs:

- **South Eastern Europe**: feasibility study in 10 countries on regional cooperation in weather forecasting - early warning system, disaster response coordination & regional risk transfer pool.

- **Middle East and North Africa**: Identification of natural risks hazards & mapping institutional capacities.

- **South Asia**: knowledge networks to exchange good practices in emergency reconstruction & hazard risk management.

- **Sub Saharan Africa**: regional cooperation program on drought risk reduction & climate change adaptation, anchored in regional economic commissions.

- **Central America**: Regional study on risks & financial response capacity of financial institutions.
TRACK I - Results to date

Global Information Platform with PreventionWeb as clearing-house for disaster risk reduction

Global partnerships with research institutions, parliamentarians, media & the private sector to support implementation of the HFA

Contributing to developing a global report on risk benchmarking & emerging risks - in 2008

Report on progress towards reducing disaster losses through the implementation of the HFA

Guidelines on implementing the HFA

Guidelines on Disaster Proofing Millennium Development Goals through poverty reduction strategy papers

Integrating disaster reduction in MDGs to reverse environmental losses & adapt to climate change
TRACK II Mainstreaming Disaster Reduction at the Country level

- Led by Countries
- Executed with development partners selected by countries
- Countries engage at the time of PRSP
- 86 countries at high risk with 30+% of GDP or of population at risk
- Mainstream hazard risk reduction & mitigation into Strategic Plans especially poverty reduction strategies & sector policies
- Never been done before
- US $ 350 million over 10 years
TRACK II Activities

- Institutional framework for risk management including policy, legal & organizational elements,
- National plans for multi hazards early warning systems
- Country frameworks to catalyze investment in hazard prevention, mitigation, and preparedness
- Learning, research, and knowledge management for current and future risks
TRACK II Projects for cost-effective hazard risk mitigation to critical infrastructure

- Strengthen education & health infrastructure in hazard-prone areas
- Promote disaster-resilient housing
- Use of community-based initiatives
- Promotion of traditional construction techniques
TRACK II  Pre-disaster recovery financing strategy & plans

- Pre-disaster plans for
  - damage and needs assessment
  - coordination for immediate, short-term & long term recovery

- developing risk financing and transfer options including
  - insurance and reinsurance
  - catastrophe bonds
  - weather derivatives
  - contingent credit
  - reserve fund...
TRACK II Catalyze investment in risk prevention, mitigation & preparedness

- National Hurricane, Cyclone / Typhoon Risk Mitigation Program
- National Earthquake Risk Mitigation Program
- National Catastrophic Risk Financing Program
- National Disaster Risk Communication Program
TRACK II Public-private partnerships for mainstreaming disaster reduction

- Establish regulatory & market-driven economic incentives for improved risk-based monitoring & maintenance of key public & private infrastructures
- Put in place a cross-industry public-private partnership to monitor compliance.
TRACK II  Learning, research, and knowledge management for current and future risks

- Documenting lessons from national experiences in disaster recovery and dissemination
- Research in management of current and emerging risks
- Documenting traditional coping mechanism
- Research in climate change management and adaptation
- Managing the risks due to sea level rise
# TRACK II  Phasing of countries

Ten countries enter planning cycle each year

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3-yr TA
Track II Results to date

- Work started in Malawi, Mozambique, Nepal, Nicaragua, Vietnam
- Enthusiastic donor response
- UK & Switzerland have already contributed
- Japan, Sweden, Australia & Denmark have pledged with details being negotiated
- EC, Canada, Germany, Spain and other donors’ support being discussed
- Many recipient countries keen to contribute
TRACK II Other Perspectives

- Knowledge & Technology Transfer Fund
- Space Application in disaster reduction Fund
- Catalytic fund for Private-Public Partnership in disaster reduction and recovery
TRACK III Accelerated Recovery

- A Standby Recovery Financing
- For low income countries without access to market finance and...
- who have initiated a disaster prevention scheme
- Under design
- To be operated through a mechanism linked to the International Development Association
- Close cooperation with UN and IFIs
TRACK III Features

- Rapid & predictable funding for disaster recovery
- Enhance global preparedness for recovery
- Avoid reallocating development resources
- An incentive-based financing mechanism for low income countries to invest in *ex ante* risk management
Phase 1 US$ 50 million
- Greater institutional preparedness for accelerated recovery
- Pre-disaster Coordination among all stakeholders
- Pre-disaster agreements on tools, co-financing

Phase II (to be estimated)
- Linked to % ex ante investments
- Rapid and predictable financing available for a sustainable disaster recovery operation
Consultative Group Strategic oversight
CO-hairs SDN VP & 1 Donor Government
Members Contributing Donors & Recipient Govts.
Nominated: Chairperson, GPDRR of ISDR, 2 TAG

Steering Committee approves Work Program

Technical Advisory Group

Global Platform for DRR

Management Oversight Board

ISDR Sectt

System Members

Secretariat
Timing to set the Operations Charter

- Interim Operations Charter adopted September 29, 2006
- Constituting interim governing bodies
  - Ad-hoc Steering Committee
  - Ad-hoc Consultative Group
- Approved
- Track I work program & results framework
- Track II 5 country program Malawi, Mozambique, Nepal, Nicaragua, Vietnam
- Secretariat mandated to develop Operations Charter to be reviewed & approved February 23
International Forum on Tsunami and Earthquake

Arigato Gozaimachita!