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Positioning ADB's Disaster and Emergency Assistance Policy in a Changing Regional Environment

Asian Development Bank

ABBREVIATIONS

ADB	– Asian Development Bank
ADF	– Asian Development Fund
ADPC	– Asian Disaster Preparedness Center
ADRC	Asian Disaster Reduction Center
ATF	– Asian Tsunami Fund
BPHR	Human Resources Division (Budget, Personnel and Management Systems Department)
CAC	– conflict-affected countries
CPS	– country partnership strategy
CSO	– civil society organizations
CSR	– corporate social responsibility
DEAP	– Disaster and Emergency Assistance Policy
DFID	– Department for International Development (UK)
DMC	– developing member country
DNA	– damage and needs assessment
DRM	– disaster risk management
DRR	– disaster risk reduction
EAL	– emergency assistance loan
GFDRR	– Global Facility for Disaster Reduction and Recovery
HFA	– Hyogo Framework of Action
IADB	– Inter-American Development Bank
IAP	ISDR Asian Partnership network
IDNDR	International Decade for Natural Disaster Reduction (UN)
ISDR	– International Secretariat for Disaster Reduction (UN)
MDB	– multilateral development bank
MDG	– Millennium Development Goal
NGO	– nongovernment organization
OECD	Organization for Economic Cooperation and Development
OED	– Operations Evaluation Department
RETA	– regional technical assistance
RDDFP	– regional department disaster focal point
RMDFP	– resident mission disaster focal point
RSDD	– Regional and Sustainable Development Department
RSCG	– Capacity Development and Governance Division
SARD	South Asia Regional Department
TA	technical assistance
UN	– United Nations
UNDP	– United Nations Development Programme
WPC	– weakly performing country

GLOSSARY

Adaptation	Adjustment in natural or human systems in response to actual or expected climatic stimuli or their effects, which moderates harm or exploits beneficial opportunities.
Disaster	A serious disruption to the functioning of a community or a society causing widespread human, material, economic, or environmental losses that exceed the ability of the affected community or society to cope using its own resources.
Disaster risk	The systematic process of using administrative decisions, organizations,

management	operational skills, and capacities to implement policies, strategies, and coping capacities of a society to reduce the impacts of disasters.
Disaster risk reduction	A series of interconnected actions to minimize disaster vulnerability by avoiding (prevention) or limiting (mitigation and preparedness) the adverse effects of hazards within the broad context of sustainable development.
Hazard	A potentially damaging physical event, phenomenon, or human activity that may cause the loss of life or injury, property damage, social and economic disruption, or environmental degradation.
Hazardscape	The cumulative risk of natural, environmental, health, and technological hazards, as well as related post-conflict issues across a given location.
Mitigation	Structural and nonstructural measures undertaken to limit the adverse impact of natural hazards, environmental degradation, and technological hazards.
Natural disaster "hot spot"	An area or region that might be at high risk of adverse impacts from one or more natural hazards
Reconstruction	Activities to repair and restore a disaster-damaged built environment, and which offers opportunities to develop early disaster risk-reduction measures.
Recovery	Decisions and actions taken after a disaster to restore to or improve upon the pre-disaster living conditions of the impacted community, while encouraging and facilitating necessary adjustments to reduce future disaster risk.
Rehabilitation	The social processes that encompass decision making about restoration and reconstruction activities.
Relief or Response	The terms are used interchangeably in the literature to mean the provision of assistance or intervention during or immediately after a disaster to meet life preservation and basic subsistence needs of those affected. Duration can be immediate, short term, or extended.
Risk	The probability of harmful consequences or expected loss of lives and people injured; and property, livelihoods, and economic activity disrupted (or environment damaged). This is the result of interactions between natural or human-induced hazards and vulnerable conditions.
Risk assessment	A methodology to determine the nature and extent of risk by analyzing potential hazards and evaluating conditions of vulnerability that could pose a potential threat or harm to people, property, livelihoods, and the environment on which they depend.
Vulnerability	Conditions determined by physical, social, economic, and environmental factors that increase community susceptibility to hazard impact.

NOTE

In this report, "\$" refers to US dollars.

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EXECUTIVE SUMMARY

This paper is a companion document to the Action Plan for Implementing ADB's Disaster and Emergency Assistance Policy. The Action Plan presents a program that will lead to more effective implementation of the 2004 *Disaster and Emergency Assistance Policy* (DEAP) of the Asian Development Bank (ADB). The DEAP is a comprehensive policy encompassing natural, technological, and environmental hazards; health emergencies; and country conflict situations. The policy establishes a series of objectives focusing on (i) strengthening support for reducing disaster risk in developing member countries (DMC), (ii) providing rehabilitation and reconstruction assistance following disasters, and (iii) leveraging ADB's activities by developing partnerships. This robust policy emphasizes disaster risk management and foresaw several new global initiatives such as the 2005 Hyogo Framework of Action (HFA), and is predicated on the same principles as the 2006 Global Facility for Disaster Reduction and Recovery (GFDRR) of the World Bank and United Nations/International Strategy for Disaster Reduction (UN/ISDR).

The link between hazards, disasters, conflict, and economic development is vulnerability. Disaster risk management (DRM) is based on the premise that natural hazards do not necessarily lead to disaster, but may do so when they affect vulnerable populations. The concept of disaster risk reduction (DRR) highlights the connection between DRM, poverty reduction, and inclusive growth, as well as the link between vulnerability and natural hazards. An analysis of what transforms a natural event into a human and economic disaster shows that the development issues are the same as those that contribute to the region's vulnerability: (i) persistence of widespread urban and rural poverty and social degradation, (ii) degradation of the region's environment, (iii) lagging investments in infrastructure, and (iv) poor governance and weak institutions that limit the ability to mitigate and manage disaster risks. These situations are similar to countries in conflict or post-conflict, which often have sharp social divisions and weakened infrastructure.

Since 2004, several new international DRR programs have been promoted, many conducted in the Asia and Pacific region, and global sustainable development initiatives have been realigned by weaving DRM objectives into their outcome goals. A major development has been the Hyogo Framework of Action, which stemmed from the 2005 UN World Conference on Disaster Reduction, held in Kobe (Hyogo Prefecture), Japan. The framework, endorsed by 168 nations and international organizations, represents a landmark in global understanding and commitment to implementing a disaster reduction agenda, acknowledging that fulfillment of the Millennium Development Goals is unlikely unless disaster impacts are dealt with.

In response to international DRR initiatives, multilateral development bank (MDB) activities in disaster and emergency assistance are evolving into four interconnected components: (i) support for hazard management and DRR activities, (ii) immediate early disaster recovery help, (iii) longer-term reconstruction and rehabilitation assistance, and (iv) development of policies and instruments to augment immediate financial assistance during the disaster relief period. IADB and World Bank are leading these endeavors. Both recently undertook systematic evaluations of their respective disaster portfolios, which led to policy revisions, new financial instruments, and the establishment of new facilities.

Since the introduction of the DEAP in 2004, ADB has followed the principles underlying the policy during its involvement in the many disasters and conflicts that have occurred in the region. Many lessons have been learned and are being systematically incorporated into future operations, while others can remain until a review of the DEAP is undertaken at a later date.

I. INTRODUCTION

A. Purpose

1. On 6 May 2004, the Asian Development Bank (ADB) approved the *Disaster and Emergency Assistance Policy* (DEAP).¹ The policy establishes a series of objectives focusing on (i) strengthening support for reducing disaster risk in developing member countries (DMC); (ii) providing rehabilitation and reconstruction assistance following disaster; and (iii) leveraging ADB's activities by developing partnerships. While the DEAP builds on lessons learned from two earlier disaster policies (in 1987 and 1989), its implementation is directed more to rehabilitation and reconstruction assistance. Nevertheless, the DEAP sets out a series of objectives that, if followed, would enable ADB to mainstream disaster risk management (DRM) and disaster risk reduction (DRR) into its development programs and operations.

2. This paper aims to provide the context for developing an action plan to effectively embed DRR into ADB operational processes at the country level, and to assist DMCs in developing DRM. It examines the DEAP in the context of its application to date. The paper is based on an extensive survey of post-2004 knowledge and current good international practices, as well as lessons learned from ADB's response to natural disasters in the Asia and Pacific region after 2004.² It brings together the main issues under discussion by disaster and development practitioners and development partners. Further, it summarizes lessons learned, assesses the international context for disaster risk reduction and summarizes comparator approaches. While the paper highlights natural disasters, many of the recommendations and approaches apply to post-conflict situations, environmental hazard management, and health emergencies.

3. Three recent ADB documents are relevant to this paper and should be considered in conjunction with discussions that follow (i) *Country Partnership Strategy Guidelines*,³ (ii) the Operations Evaluation Department (OED) draft report entitled *Effectiveness of Asian Development Bank's Resident Missions*,⁴ and (iii) *Achieving Development Effectiveness in Weakly Performing Countries (The Asian Development Bank's Approach to Engaging Weakly Performing Countries)*.⁵ These documents reinforce the importance of analysis and assessments before the country partnership strategy (CPS), including a disaster vulnerability assessment. They also recognize the role of resident missions in CPS preparation, and the links between vulnerability, conflict, and the incidence of weak performance.

B. Background

4. Disasters and conflict are ongoing development challenges. Development efforts are frequently disrupted by natural disasters and civil unrest, which can cause sharp increases in poverty and set back the pace of social and economic progress.

5. Globally, natural disasters cause losses equivalent to 13.4% of the gross domestic product of developing countries, compared with 2.5% in industrialized nations.⁶ In an average

¹ ADB. 2004. *Disaster and Emergency Assistance Policy* (R-Paper 71-04). Manila.

² A detailed background paper has been prepared to summarize the result of this review process.

³ ADB. 2007. *Country Partnership Strategy Guidelines*. Manila.

⁴ ADB. 2007. *Effectiveness of Asian Development Bank's Resident Missions*. Draft. Manila.

⁵ ADB. 2007. *Achieving Development Effectiveness in Weakly Performing Countries (The Asian Development Bank's Approach to Engaging Weakly Performing Countries)*. Manila. 30 May 2007.

⁶ Many explanations have been offered for why developing countries face higher disaster losses, including rapid urbanization and the concomitant growth of informal settlements; widespread urban and rural poverty; inadequate land-use planning, environmental degradation, and occupation of marginal land; lagging infrastructure investment

year, Asia, in particular, incurs \$39.5 billion in physical losses.⁷ The geographical and geophysical characteristics of Asia and Pacific make the region particularly vulnerable to natural disasters. From 1975 to 2005, the region accounted for 37% of the world's recorded natural disasters, 57% of deaths, 89% of populations affected, and 44% of property and infrastructure damage. In 2005, a particularly bad year, about 650 severe natural hazard events were recorded worldwide, with 42% of these in the region, causing \$21 billion in known damage. Moreover, since weather-related hazards cause about two thirds of natural disasters in the Asia and Pacific region, the effects of climate change, which is expected to increase weather variability and extreme events, could result in more frequent and more damaging events. Policy development to support adaptation to climate change is at an early stage, and ways of integrating these perspectives with DRR are needed. Closer synergy between adaptation and DRR is likely to benefit both agendas, as long as geophysical hazards are not treated as secondary issues in the process.

6. Conflict is more common in poor countries. In the past 20 years, 15 of the 20 poorest countries in the world have had a major violent conflict. Of 34 countries farthest away from achieving the Millennium Development Goals (MDG), 22 are affected by current or recent wars.⁸ Since 1987, when ADB first instituted a disaster policy, eight DMCs have received post-conflict assistance totaling \$655.87 million in the form of loans, technical assistance (TA), and grants. Afghanistan received 50% of the assistance, followed by Sri Lanka (29%), Cambodia (10%), and Tajikistan (8%). The remaining 3% of this assistance was divided among the Solomon Islands, the Philippines, Indonesia, and the Cook Islands.⁹

7. Disasters affect poverty in many ways. Injury and death rates from natural disasters can be up to 100 times higher in poorer developing countries than in industrialized countries. These rates are not only different between rich and poor countries; they are also different within rich and poor nations, as well as between males and females, with poorer females being an especially disadvantaged group.¹⁰ Disasters have macroeconomic impacts, directly through physical damage to infrastructure, productive capital, and stocks; and indirectly over the longer term by affecting productivity, growth, and macroeconomic performance. This adverse impact disproportionately affects the poor and their livelihoods. Tax revenues (used to fund the delivery of social services) are reduced and/or are diverted to disaster response activities; prices of food and basic commodities increase; and the ability to work and productivity (ability to earn a daily wage) are interrupted. Similarly, countries in conflict or post-conflict situations often have sharp social divisions and weakened infrastructure. Post-conflict countries typically have (i) suffered substantial destruction of livelihoods and social capital; (ii) endured severe disruptions in basic social services; (iii) weakened or even absent government institutional capacity and state authority; and (iv) experienced the disintegration of mutual confidence and trust among diverse population groups—e.g., ethnic, religious, and political (footnote 5).

and poor governance, including lack of building code compliance; and a high dependency on agriculture, which is vulnerable to climatic extremes.

⁷ Data derived from the disaster events database (EM-DAT), World Health Organization Collaborating Centre for Research on the Epidemiology of Disasters (CREED). Belgium.

⁸ Information from ADB seminar entitled *Conflict Sensitive Development: The SARD Conflict Sensitivity Framework*, by S. Nebel. 21 February 2007. Manila.

⁹ Figures are derived from ADB 2007. *Review of Disaster-Related Projects Under ADB's Three Disaster Policies*. Consultant Report. Manila. January 2007. Capacity Development and Governance Division, Regional and Sustainable Development Department.

¹⁰ See, for example, CREED. 2006. *Risk Factors for Mortality and Injury: Post-Tsunami Epidemiological Findings from Tamil Nadu. Report Summary*. Paper prepared by CREED (Belgium) for the Preliminary Regional Discussion for the Preparation of the First Global Platform on Disaster Risk Reduction. 19–20 June 2006. Bangkok, Thailand.

1. ADB's Support to Disaster Risk Management Activities

8. ADB has had a disaster policy since 1987 (Table 1). The early policies were based on the recognition that with timely intervention an impacted DMC could maintain development momentum. An inappropriate or nonexistent intervention typically resulted in scarce national resources being diverted, sometimes permanently, from important development programs. Appendix 1 summarizes ADB's experience, beginning with the approval in 1987 of the policy entitled *Rehabilitation Assistance to Small DMCs Affected by Natural Disaster*.¹¹

Table 1: Summary of ADB's Three Disaster-Related Policies

Date	Code	Title	Brief Description	Trigger
17 Jun 1987	R74-87	Rehabilitation Assistance to Small DMCs Affected by Natural Disasters	Simple repair activities intended to return a country to its pre-disaster status. Projects to be completed 3 years after a disaster	South Pacific DMCs proposed that ADB establish a special facility to assist those affected by cyclones or other natural disasters
2 Feb 1989	R191-88	Rehabilitation Assistance After Disasters	Implemented in parallel with 1987 policy and extended to all DMCs. Rehabilitation projects should essentially be to reestablish services in key infrastructure sectors, stressing simple repair-related designs	Floods in Bangladesh, earthquake in Nepal, typhoons in Philippines, ethnic conflicts in Sri Lanka; IDNDR, which started in 1990
1 Jun 2004	R71-04	Disaster and Emergency Assistance Policy	Strategic intervention in emergency preparedness and impact response in line with prevention, transition, and recovery from natural and non-natural disasters and post-conflict situations	ADB's long-term strategic framework (2001–2015), which places poverty reduction at the forefront

9. From June 1987 through September 2006, 25 DMCs (57% of today's total) received almost \$6 billion in disaster and post-conflict assistance in the form of loans, TA, and grants,¹² which financed 235 disaster-related projects. Of these, 75 were provided as loans (\$4.8 billion), 50 as grants (\$1.1 billion), and 110 provided as TA (\$119 million). Disregarding the funding source, 32.8% of projects focused primarily on mitigation, while 27.5% dealt with emergency response and 39.7% addressed rehabilitation and reconstruction.¹³ Ten DMCs received 98% of

¹¹ ADB. 1987. *Rehabilitation Assistance to Small DMCs Affected by Natural Disasters* (R74-87). Manila.

¹² Figures are derived from ADB 2007. *Review of Disaster-related Projects Under ADB's Three Disaster Policies*. Consultant Report. January 2007. RSCG-RSDD. Manila. In this document, the term 'disaster-related projects' includes ADB assistance provided to DMCs for mitigation, rehabilitation and reconstruction associated with natural hazards, technological hazards, conflict, health emergencies and environmental threats.

¹³ These figures do not include funds or activities on environmental or health emergencies, which at a minimum totaled an additional \$506.3 million during June 1987–September 2006.

this assistance.¹⁴ However, as Appendix 2 indicates, these figures could mask the possibility that more projects might be for mitigation activities.¹⁵

2. ADB and Conflict-Affected DMCs

10. The resumption of support to Afghanistan in 2002 gave a renewed emphasis to ADB's assistance in post-conflict issues, although assistance had been provided to conflict-affected countries (CAC) such as Cambodia, Nepal, Sri Lanka, Tajikistan, and Timor-Leste before this, and several countries subsequently, including the Solomon Islands, Tonga, and many others. Post-conflict assistance involves more than reconstructing new roads, bridges, and schools; it is fundamentally about developing capacity for recovery and sustainable growth. The role that multilateral development banks (MDB) can play in post-conflict situations can extend from institutional reforms and state building, to changing previous systems and organizational structures that might have contributed to creating economic and social inequities.

11. In 2006, a results-based CPS was prepared for Nepal, which included a country conflict analysis. In 2007, ADB's South Asia Department (SARD) developed a conflict sensitivity framework that is predicated on a review of causes affecting the level of conflict, which helps to ensure that development interventions do not exacerbate or revive violent conflict. The framework also aims to assess the impact of a conflict on the intervention (or project), and the ways the conflict environment might adversely affect a project.¹⁶

12. ADB follows a three-pronged approach to addressing conflict issues:¹⁷ (i) building capital; (ii) rehabilitating production and income, especially for the poor; and (iii) developing capacity to improve aid absorption and management. While this approach was expressed before the DEAP, it is not articulated within the document. ADB's recent work on weakly performing countries¹⁸ recognizes the close relationship between national conflict and weak performance. It not only reinforces the importance of early conflict assessment for informing country programming, but also suggests that these assessments at a minimum (i) identify the causes and consequences of instability and violence, (ii) assess how the existing development program interacts with these causes, and (ii) determine where and how development and humanitarian assistance could be delivered effectively.

13. The international development community increasingly is appreciating the link between conflict and development. In 1997, the Organization for Economic Cooperation and Development (OECD) Development Assistance Committee issued a policy statement and guidelines on conflict, peace, and development,¹⁹ which established broad parameters for

¹⁴ In order of decreasing assistance, the top 10 DMC recipients are Pakistan, People's Republic of China, Bangladesh, India, Indonesia, Sri Lanka, Afghanistan, Philippines, Viet Nam, and Cambodia.

¹⁵ In the report cited in footnote 12, projects were classified as having a mitigation component if the document provided evidence of the project being linked to long-term hazard management, was part of a national plan, or where reference was made to some aspect of development. However, the author points out that ADB's project classification system does not adequately capture hazard or disaster management projects, and that data labeling might misrepresent actual situations.

¹⁶ Nebel S. 2007. Conflict Sensitive Programming and Implementation Strategy: Draft SARD Conflict Sensitivity Framework. Manila (SARD).

¹⁷ ADB. 2002. Special Theme: Rehabilitation and Reconstruction. ADB's Role in Afghanistan and the Region. *Asian Development Bank Annual Report 2002*. Manila. page 15.

¹⁸ ADB. 2006. First Full Draft of ADB's Approach to Engaging with Weakly Performing Countries. Manila (19 May 2006. Strategy and Policy Department).

¹⁹ OECD. 1997. *Helping Prevent Violent Conflict*. Organization for Economic Cooperation and Development. Development Assistance Committee Guidelines. Paris.

development and peace building, and placed peace building and conflict prevention on the development agenda.²⁰ In 2005, The World Bank's Conflict Prevention and Reconstruction Unit developed a conflict analysis framework²¹ that covers six categories of variables for information and analysis: (i) social and ethnic relations, (ii) governance and political institutions, (iii) human rights and security, (iv) economic structure and performance, (v) environmental and natural resource management, and (vi) external forces.

14. Conflict and disaster management approaches also are correlated. While the trigger, scope, duration, and necessary actions might differ, most large-scale emergencies generally result in widespread physical damage, death, disability, and displacement, as well as economic and social disruption. Regardless of the cause, each necessitates a timely, flexible, and systematic response. Further, they share the relative importance of risk management and vulnerability assessment, early warning, risk reduction, mitigation, and need for organized responses at national and subnational levels. In 2004, the Inter-American Development Bank (IADB) produced a generic table (Table 2) that identifies actions and instruments that are chronologically differentiated. It is particularly useful as it illustrates the close correlation between conflict and natural disaster management approaches.

Table 2: Generic Approaches to Conflict

Phase	Actions	Instruments
Before	<ul style="list-style-type: none"> • Build institutional capacity for prevention through good governance • Conduct conflict and vulnerability analyses • Develop instruments of prevention • Promote stakeholder participation in program development • Position for rapid response 	<ul style="list-style-type: none"> • Development loans with prevention components • Technical cooperation with focus on prevention • Policy making lending
During	<ul style="list-style-type: none"> • Humanitarian assistance • Bridge relief to development • Provide incentives and sanctions for peace • Conflict impact assessment, damage and needs assessment, capacity (institutional) assessment 	<ul style="list-style-type: none"> • Watching briefs • Transitional support strategy • Emergency assistance loan
After	<ul style="list-style-type: none"> • Restoration and developing capacity of critical state institutions • Rehabilitation of critical infrastructure • Demobilization and reintegration of ex-combatants • Return and reintegration of displaced persons • Create and support for new livelihoods • Reconstruction investments 	<ul style="list-style-type: none"> • Portfolio restructuring and reallocation • Reconstruction loans • Technical cooperation for reconstruction and transformation

Source: Based on Inter-American Development Bank. 2004. *Human-Driven Disasters: Violent Conflict, Terrorism and Technology*. Sustainable Development Department Technical Paper Series. Washington, DC.

²⁰ Further discussion can be found in Nebel S. 2007. *Conflict Sensitive Programming and Implementation Strategy: Draft SARD Conflict Sensitivity Framework*. Manila (SARD/SANS).

²¹ World Bank. 2005. *Conflict Analysis Framework*. Social Development Department, Conflict Prevention and Reconstruction Team. Washington DC.

15. Given that the WPC committee will routinely bring together expertise, including knowledge on post-conflict issues, it is appropriate that this group guide the post-conflict aspect of the policy. The conflict component of the DEAP will not be discussed further in this paper. Nevertheless, the DEAP anchor person will work with the WPC anchor person and the WPC committee (footnote 5) to ensure that the DEAP action plan is coordinated effectively with actions that will be developed for post-conflict management.

II. INTERNATIONAL CONTEXT

A. Disaster Risk Reduction

1. Disaster Risk Is a Development Issue

16. Although disasters dilute hard-earned development gains, development agencies traditionally have regarded disasters as interruptions in development rather than as a risk that is integral to development. At the country level, most country partnership or poverty reduction strategies do little more than mention natural disaster risk, even in countries that have experienced multiple events. At the project level, the objectives tend to be short-term fixes and rarely address the causes of the disastrous impact of natural hazards. A recent report by the Department for International Development (DFID) of the United Kingdom states that recent studies indicate governments and aid agencies tend to fund disaster relief and rehabilitation assistance by reallocating resources from development programs.²²

17. In recent years, however, the views of governments and development agencies on the links between DRM and development have shifted, together with the growing appreciation that a balance between emergency response and rehabilitation, on the one hand, and DRM, on the other, is warranted. Table 3 illustrates the nexus between DRM and development.

18. Since 2004, several new international DRR programs have been promoted, many conducted in the Asia and Pacific region, and global sustainable development initiatives have been realigned by weaving DRM objectives into their outcome goals. These include the MDGs, the Paris Declaration (and, in particular, the principles of country leadership and more effective harmonization), and managing for development results agenda.

²² DFID. 2004. *Disaster Risk Reduction: A Development Concern*. London.

Table 3: Disaster–Development Nexus

	Economic Development	Social Development
Disaster limits development	Destruction of fixed assets. Loss of protection capacity, market access, or material inputs. Damage to transport, communications, or energy infrastructure. Erosion of livelihoods, savings, and physical capital.	Destruction of health and/or education infrastructure and personnel. Death, disablement, or migration of key social actors leading to erosion of social capital.
Development causes disaster risk	Unsustainable development practices that create wealth for some at the expense of unsafe working or living conditions for others, or that degrade the environment.	Development paths generating cultural norms that promote social isolation or political exclusion
Development reduces disaster risk	Access to adequate drinking water, food, waste management, and a secure dwelling increases people's resiliency. Trade and technology can reduce poverty. Investing in financial mechanisms and social security can provide a cushion against vulnerability.	Building community cohesion, recognizing excluded individuals or social groups (such as women), and providing opportunities for greater involvement in decision making, and enhanced educational and health capacity increases resiliency and enhances governance.

Source: United Nations Development Programme. 2004. *Reducing Disaster Risk: A Challenge for Development*. New York (p. 20).

2. Vulnerability

19. The link between hazards, disasters, conflict, and economic development is vulnerability. The international development community has recognized that a natural hazard is transformed into a disaster when it comes into contact with a vulnerable population. Moreover, disasters can create conditions that increase vulnerability and the likelihood that further hazard events will result in new disasters. From the vulnerability perspective, disasters do not result from the hazard alone, but from the juxtaposition of three factors: (i) the hazard (e.g., typhoon, earthquake, tsunami, etc.); (ii) the physical setting (or exposure) affected by the disaster, including characteristics of the built environment and the environmental features that either mitigate the effects of the disaster or make them more severe; and (iii) population vulnerability, including factors such as proximity to the hazard, material resources, race, ethnicity, gender,²³ and age. While vulnerability to hazards is correlated with poverty, they are not the same. Poorer people are more vulnerable to hazards, suffer a greater relative loss of assets, and have a much lower capacity to cope and recover.

20. A growing body of evidence and experience shows that substantial economic and social gains can be made by adopting DRM. Managing natural hazard risk is more affordable than repairing damage after impact and does not depend on idiosyncratic or aid generosity. The cost

²³ Disasters also can alter gender roles, as occurred in the 2005 Pakistan earthquake when the deaths of many male partners required mothers to take on the responsibilities of head of household.

of reconstructing damaged infrastructure after a disaster often approaches 20–40% of the original cost, which exceeds the cost of incorporating reduction measures at the design stage. World Bank estimates that, on average, countries can save \$7 in recovery costs for every \$1 spent on risk reduction measures. Similarly, a 2005 study²⁴ in the United States concluded that mitigation measures (e.g., retrofitting, building code strengthening and reinforcement, public awareness and education) yielded a discounted present value of \$14 billion compared to the \$3.5 billion spent on hazard mitigation programs. In effect, for every \$1 spent, society saves an average of \$4. Other studies have argued that much of the long-term gross domestic product costs of a disaster come from incomplete reconstruction.²⁵

3. Disaster Risk Management

21. DRM is based on the premise that natural hazards do not necessarily lead to disaster, but can do so when they affect vulnerable populations. As the poorest are most vulnerable, the incorporation of DRM principles into poverty reduction strategies is becoming more widely accepted for countries where the hazard risk is high. It is also recognized that a proactive stance to reduce the effects of disasters in the region will require a comprehensive approach that emphasizes actions taken before a disaster rather than on post-disaster recovery. The key operational aspects of DRM are in Table 4.

Table 4: Operational Areas of Disaster Risk Management

Risk assessment (or risk analysis)	An instrument to provide quantitative and qualitative information about the nature and extent of a risk, by analyzing hazards and evaluating conditions of vulnerability.
Disaster risk education (also referred to as prevention or mitigation)	Denotes activities that reduce (or prevent or mitigate) the adverse effects of extreme natural events, above all in the medium and long term. These include, on the one hand, political, legal, administrative, and infrastructure measures to address the hazard situation; and, on the other hand, influences on the lifestyle and behavior of the endangered population to reduce their disaster risk.
Disaster preparedness	Comprises activities and measures to ensure effective response in an emergency and its impacts, including timely and effective warning systems and the temporary removal of people and property from a threatening location.
Disaster rehabilitation	Actions to assist the community in recovering from disaster, as well as build in resilience against similar future impacts.

Source: Adapted from Deutsche Gesellschaft für Technische Zusammenarbeit. 2005. *Linking Poverty Reduction and Disaster Risk Management*. Eschborn.

22. A DRM approach at the country level could include, but not be limited to, (i) development of a legal, institutional, and operational framework that legitimizes, consolidates, and coordinates DRR at national and local government levels; (ii) risk assessment to identify, analyze, and evaluate the types and magnitude of potential impacts and how these might affect development investments; (iii) design of risk-reduction actions to reduce, if not remove, causes of disasters, including strengthening institutions that have roles in enforcing design standards;

²⁴ The Multihazard Mitigation Council. 2005. *Natural Hazard Mitigation Saves: An Independent Study to Assess the Future Savings from Mitigation Activities*. Washington DC: National Institute of Building Sciences.

²⁵ Linnerooth-Bayer, J. and R. Mechler. 2005. *Disaster Risk Financing for Developing Countries*. IIASA presentation for the World Bank, 17 November 2005. Washington DC. In *Hazards of Nature, Risks to Development. An IEG Evaluation of World Bank Assistance for Natural Disasters*. Independent Evaluation Group, World Bank. P. 29.

(iv) financial protection that could include risk transfer and financial options that spread financial risks over time and between various stakeholders; (v) emergency preparedness and responses to enhance a country's readiness to cope quickly and effectively with a disaster; and (vi) post-disaster rehabilitation, reconstruction, and recovery.

23. Planning for disasters and reducing long-term vulnerability in countries at higher risk need special attention. An analysis of what transforms a natural event into a human and economic disaster shows that the fundamental problems of development are the same problems that contribute to the region's vulnerability to the catastrophic effects of natural disaster. The principal causes of vulnerability in the Asia and Pacific region include (i) persistence of widespread urban and rural poverty; (ii) degradation of the region's environment; (iii) persistent poverty among certain groups; (iv) lagging investments in infrastructure; and (v) poor governance that limits the ability to mitigate and manage disaster risks.

24. Absolute levels of disaster risk also are increasing due to various pressures, including climate change. About two thirds of disasters are caused by climate hazards. Evidence is growing that climate change is linked to disaster risk, and global warming is expected to increase levels of variability and extreme events. Experience over the past two decades suggests that vulnerability to extreme weather events has increased. The Stern Review argues that adaptation, including efforts to enhance hazard resilience (i.e., by developing hazard mitigation strategies),²⁶ should be mainstreamed into development. Specifically, it states that, "the key to successful DRR is ensuring it is integrated into development and humanitarian policy and planning."²⁷ Given recent climate change information and scenario developments, DRM and climate change communities are now directing attention to finding immediate solutions to natural hazards. The action plan proposed in Section IV is a vehicle to help ADB align these two areas.

25. The concept of DRR highlights the connection between DRM and poverty reduction, and the link between vulnerability and natural hazard. DRR reinforces the proposition that vulnerability can be reduced largely by controlling disaster risk. The aim of DRR is not to restore things to the way they were before the disaster, but to increase people's capacities and strengthen coping strategies to deal more effectively with adverse events. Therefore, DRR and hazard management are integral to development activities, as Appendix 3 illustrates.

26. Since approval of the DEAP, the Asia and Pacific region has faced a series of large, devastating natural disasters, including the Indian Ocean tsunami (26 December 2004) and the South Asia earthquake (8 October 2005). These highlighted the importance of DRM and DRR. As is now recognized, the conventional approach to disaster management—with its focus on emergency relief and reconstruction—does little to solve the underlying problems of disaster vulnerability in poor countries. Recent studies²⁸ have noted that development organizations and relief agencies might have contributed to the problem by failing to identify disasters as

²⁶ The terminology varies between the disaster management and climate change communities, although the differences are not irreconcilable. Disaster management uses "hazard mitigation" to define the structural and non-structural measures undertaken to limit the adverse impact of natural hazards, environmental degradation, and technological hazards. Climate change literature refers to these adjustment processes as "adaptation" (see glossary), whereas "mitigation" is a human measure to reduce sources or enhance the sinks of greenhouse gases.

²⁷ HM Treasury. 2006. *Stern Review on the Economics of Climate Change*. London (p. 566).

²⁸ See, for example, (i) United Nations Development Programme. 2004. *Reducing Disaster Risk: A Challenge for Development*. New York; (ii) DFID. 2006. *Reducing the Risk of Disasters – Helping to Achieve Sustainable Poverty Reduction in a Vulnerable World: A DFID Policy Paper*. London.

development issues. Development partners are now more committed to tackling issues that increase exposures to vulnerability and to the adverse impact of natural disasters. Most recent developments in mainstreaming DRM²⁹ into development pertain to policy changes. A crucial next step is to alter specific development practices in hazard-prone countries. In particular, the institutionalization of DRR will reduce the vulnerability of at-risk groups and provide a sounder base for the implementation of DRM practices. The DEAP provides a good platform for ADB to help DMCs achieve these goals.

4. The Hyogo Framework of Action

27. The Hyogo Framework of Action (HFA) is an outcome of the United Nations (UN) World Conference on Disaster Reduction, held in Kobe, Japan, in January 2005. Endorsed by the United Nations General Assembly in Resolution 60/195, the HFA is the primary international agreement for disaster reduction. It represents a landmark in global understanding and commitment to implementing a disaster-reduction agenda. ADB is one of the 168 countries and multinational organizations to sign the framework. The principal strategic goal of HFA is to effectively integrate disaster risk considerations into sustainable development policies, planning, programming, and financing at all levels of government. The HFA defines (Table 5) the strategic goals for the substantial reduction of disaster losses within (2005–2015) in conformity with the internationally agreed upon MDGs. Several nations from the Asia and Pacific region have utilized the HFA initiative to make progress in DRR, with 16 DMCs having designated an HFA focal point.³⁰ A regional coordination mechanism is seen as one measure that could further DRR progress.

Table 5: Hyogo Framework of Action Summary of Commitment, 2005–2015

Expected Outcome	<ul style="list-style-type: none"> Substantial reduction of disaster losses—in lives and in the social, economic, and environmental assets of communities and countries
Strategic Goals	<ul style="list-style-type: none"> Integration of disaster risk reduction (DRR) into sustainable development policies and planning Development and strengthening of institutions, mechanisms, and capacities to build resilience to hazards Systematic incorporation of risk-reduction approaches into the implementation of emergency preparedness, response, and recovery
Priorities for Action	<ul style="list-style-type: none"> Ensure disaster risk reduction is a national and local priority with a strong institutional basis for implementation Identify, assess, and monitor disaster risks—and enhance early warning Use knowledge, innovation, and education to build a culture of safety and resilience at all levels Reduce underlying risk factors Strengthen disaster preparedness for effective response at all levels

Source: ADB staff

²⁹ Where possible, the definitions used in this paper are taken from United Nations International Secretariat for Disaster Reduction (UN/ISDR) documents. ISDR is attempting to establish standard terminology to assist in common understanding and communication in the disaster field. See UN/ISDR. 2004. *Living with Risk: A Global Review of Disaster Reduction Activities*. New York and Geneva (p. 17).

³⁰ These are Azerbaijan, Cambodia, People's Republic of China, Georgia, Indonesia, Kazakhstan, Republic of Korea, Kyrgyz Republic, Lao People's Democratic Republic, Malaysia, Mongolia, Pakistan, Singapore, Sri Lanka, Tajikistan, and Viet Nam.

5. Recent Activities in the Asia and Pacific Region

28. Since 2005, the UN system has undertaken reforms to streamline and give nations greater ownership of disaster management activities. The UN Inter-Agency Standing Committee resolved to tackle the ad hoc and unpredictable nature of large-scale humanitarian responses by identifying and mandating agencies as “cluster leads” at global and country levels,³¹ anticipating this approach would strengthen partnerships among nongovernment organizations (NGO), international organizations, and the UN agencies. The UN created an Office for the Coordination of Humanitarian Affairs (UN/OCHA) in Bangkok to strengthen natural disaster response and preparedness activities in the region. The UN Development Programme (UNDP) reinforced its long-standing regional center in Bangkok by adding a regional disaster reduction and recovery advisor. A UN International Strategy for Disaster Reduction (ISDR³²) regional office in Bangkok was established in 2006. In addition, the UN and Asian Disaster Reduction Center (ADRC, funded by the Government of Japan) set up in Kobe an international recovery platform in 2006, which was designed as a networking mechanism for disaster recovery. As a follow-up to the World Conference on Disaster Reduction, the Global Platform for Disaster Risk Reduction was held in June 2007 to advise on and to support the implementation of the HFA.

29. Several regional associations have identified DRM as a major development area: (i) the Asia-Pacific Economic Cooperation established the Task Force for Emergency Preparedness, and adopted the Strategy on Response to and Preparedness for Natural Disasters and Emergencies; (ii) the Association of Southeast Asian Nations established a committee on disaster management and signed the Agreement on Disaster Management and Emergency Response in July 2005, while its Regional Program on Disaster Management provides a framework for cooperation with its dialogue partners and relevant international organizations; (iii) the Central Asia Regional Economic Cooperation program identified natural disasters as a second-tier regional public good in its 2006 Urumqi Declaration; and its 2006 plan of action included consideration for establishing a disaster preparedness center, which was discussed further at its 2007 meeting; (iv) the South Asian Association of Regional Cooperation program identified natural disasters as an area for cooperation and advocates development of a comprehensive framework; (v) the South Pacific Applied Geosciences Commission, based in the Fiji Islands, developed the Comprehensive Hazard and Risk Management program, which aligns DRR with national strategic development plans and is being rolled out as part of a 10-year community risk program. The regional associations lack a mechanism to encourage exchange of information, experiences, or expertise, which has resulted in little cross-fertilization between agencies and a duplication of effort and resources.³³

30. ADB has had a long and productive association with the Asian Disaster Preparedness Center (ADPC) in Bangkok. ADPC has been instrumental in encouraging several DMCs to mainstream DRR into their national frameworks, particularly through its Regional Consultative

³¹ Inter-Agency Standing Committee. 2006. *Guidance Note on Using the Cluster Approach to Strengthen Humanitarian Response*. New York (23 November 2006).

³² During 1990–2000, the UN promoted disaster prevention through its International Decade for Natural Disaster Reduction (IDNDR), and encouraged all countries to undertake a comprehensive assessment of natural hazard risks and develop long-term disaster prevention and preparedness strategies. By the end of the decade, however, it was clear most developing countries did not have the building blocks to achieve these outputs. In mid-2000, the UN signaled its commitment to continue the task by making the reduction of hazards and risks a “public value” and transformed the IDNDR Secretariat into the ISDR.

³³ ADB. 2007. *Supporting Provision of Regional Public Goods in the Asian and Pacific Region*. Manila. Page 22.

Committee. The committee comprises representatives from key government posts in 26 national disaster management systems.³⁴ A central component is a program entitled Mainstreaming Disaster Risk Reduction into Development. Working within HFA, this program helps to place DRR into national development planning and to develop priority implementation projects identified by national governments. ADPC mobilizes partnership and support from national and international sources to assist with the implementation of priority projects.

31. The ISDR Asian Partnership (IAP) was established in 2005 and currently comprises four UN bodies (UNDP Regional Center in Bangkok, UN Economic and Social Commission for Asia and the Pacific (UNESCAP), UN/OCHA, and UN/ISDR Asia and Pacific), and two regional organizations, namely ADPC and ADRC. Main roles of the IAP are (i) to promote DRR by organizing or providing support, and assisting develop strategic initiatives in Asia-Pacific nations and sub-regions; (ii) creating forums for discussion and information exchange; (iii) ensuring the recommendations in the HFA are adapted to meet priority needs of each country; and (iv) working with key government sectors and other stakeholders in-country to identify priority DRR activities. Membership is expected to increase when partnerships among current members is strengthened and recognized in the region as a viable group with a clear mandate and activities. Recent IAP meetings have included the World Bank, ASEAN, SAARC, and ADB.

6. The Role of Civil Society

32. Civil society organizations (CSO), including NGOs, play an especially significant role in DRM in Asia and the Pacific. For example, more than a third of the \$15 billion pledged for the Indian Ocean tsunami recovery is committed to NGOs.³⁵ Awareness of the great value in engaging stakeholders has led to increases in the participation of CSOs in areas that previously operated as closed systems. In the disaster management context, CSOs at local, national, and international levels are engaged in DRR through both ex ante and ex post measures, while CSO activity in areas such as gender and disasters has been instrumental in addressing previously neglected problems. New national legislation recently enacted in some Asian countries, and new international agreements such as the HFA, stress the distinctive role of large and small CSOs in relief and risk reduction. Further, the UN Office of the Special Envoy for Tsunami Recovery specifically identified the role of CSOs in recovery. To be sustainable, however, local participation should not be organized purely through ad hoc structures, but instead should be part of a process of reinvigorating local government. Early investments in building the capacity and representative character of local government is essential to any community disaster reconstruction process. While CSOs form an important part of this process, they cannot be a substitute. A significant concern is that substantial CSO activity will aggravate proliferation and fragmentation problems, as well as contribute to the high transaction costs for governments receiving aid.

7. The Role of the Private Sector

33. Nothing inherent in disaster management makes it exempt from private sector involvement; in fact, corporate social responsibility and disaster reduction can be a good match.

³⁴ Of these countries, 24 are DMCs: Afghanistan, Bangladesh, Bhutan, Brunei, Cambodia, People's Republic of China, India, Indonesia, Kazakhstan, Republic of Korea, Lao People's Democratic Republic, Malaysia, Maldives, Mongolia, Myanmar, Nepal, Pakistan, Papua New Guinea, Philippines, Sri Lanka, Thailand, Timor-Leste, and Viet Nam.

³⁵ Paper prepared by Eric Schwartz, UN Deputy Special Envoy for Tsunami Recovery, "Overview of the NGO Impact Initiative: Responsibilities and Challenges." Office of the Secretary-General's Special Envoy for Tsunami Recovery. 2006.

The literature on corporate social responsibility often refers to the “triple bottom line” (profit, environmental quality, and social justice), implying that companies’ interests are best served by embracing all three factors. The private sector has many skills, experiences, and models that are applicable for DRR. For hazard mitigation, for instance, the private sector can offer a plethora of experiences in devising alternate safety nets, guarding against future risk, protecting assets, and creating sustainable growth. For post-impact reconstruction, private enterprise has the expertise and cost-effective technologies essential for devising a more effective approach to mass reconstruction. Private sector experience also could be useful in fundraising for mitigation, providing inputs into pre-tax agreements for retrofitting essential infrastructure, developing resource inventories, initiating and administering debris management systems, managing logistics, developing risk transfer systems and assisting insurance market penetration, and developing public awareness programs.

B. Comparator Practices

34. In response to international DRR initiatives, MDB activities in disaster and emergency assistance are evolving into four interconnected components: (i) support for hazard management and DRR activities, (ii) immediate early disaster recovery help, (iii) longer-term reconstruction and rehabilitation assistance, and (iv) development of policies and instruments to augment immediate financial assistance during the disaster relief period. IADB and World Bank are leading these endeavors. Both recently undertook systematic evaluations of their respective disaster portfolios, which led to policy revisions, new financial instruments, and the establishment of new facilities.

35. The African Development Bank has supported emergency operations since the early 1970s. It provides emergency relief not exceeding \$500,000 per operation per country through its Special Relief Fund to alleviate human suffering, and to preserve the viability of development projects and programs. About \$5 million a year is budgeted under the fund to finance the grants.

36. IADB allocates \$450,000 a year for DRM through a special budget initiative, in addition to providing \$110,000 for an annual regional disaster policy dialogue. It has a decentralized network of DRM focal points (26 field offices), wherein the 10 focal points in headquarters provide training, facilitate regional dialogue, and support to country offices. IADB is operating within a 2005–2008 action plan based on three pillars: (i) country programming and portfolio management; (ii) bank policy, procedures, and financial products; and (iii) an organization-wide approach focusing on ex ante risk reduction. IADB’s position is that it will not intentionally finance projects that, according to its analysis, could increase natural hazard-related threats. IADB also refined its disaster management financing modes, which now cover the disaster spectrum:

- (i) Pre-impact assistance. A disaster prevention facility provides loans up to \$5 million per country for DRR. A disaster prevention fund, created with resources from IADB ordinary capital and capped at \$1 million per grant, finances prevention strategies. A multidonor trust fund³⁶ finances TA and grant investments for disaster prevention and risk management. IADB is developing guidelines to address managing risk in public and private sector projects in

³⁶ Japan, Republic of Korea, and Spain have expressed interest in supporting the fund.

- vulnerable member countries, wherein the transaction costs of carrying out its DRM policy may be covered through its prevention modes.
- (ii) Disaster impact assistance. IADB has an immediate response facility that provides a fund to address basic service restoration 3–6 months after disaster, and which is also available to initiate reconstruction. In addition, IADB has an emergency technical cooperation grant capped at \$200,000 per event for humanitarian needs, which is used in conjunction with specialized agencies.
 - (iii) Post-impact: For this phase, IADB utilizes portfolio restructuring and reallocation.

37. World Bank updated its disaster policy in March 2007³⁷ after recognizing that earlier policies paid little attention to prevention and mitigation; that relief focused only on areas of comparative advantage and prohibited unlisted activities; and that the flexibility needed for full cooperation with aid agencies and other partners in supporting comprehensive recovery was lacking. The policy revision reflected the need to (i) accelerate the entire emergency project cycle;³⁸ (ii) ensure more transparency on risks in emergency operations; (iii) accelerate, consolidate, and simplify procedures for crises and emergencies, and streamline ex ante requirements; (iv) encourage use of effective instruments; and (v) address early recovery implementation and financing. The policy supports (i) rebuilding and restoring physical assets; (ii) restoring the means of production and economic activities; (iii) preserving or restoring essential services; (iv) establishing or preserving human, institutional, and/or social capital, including economic reintegration of vulnerable groups; (v) peace-building; (vi) building capacity in initial stages for long-term reconstruction, disaster management, and risk reduction; and (vii) adopting measures to mitigate or avert imminent emergencies in high-risk countries. Provision also was made for a declaration of “corporate emergency” to mobilize resources across World Bank, establish a rapid response committee for strategic advice, and deploy trained emergency task teams. To accelerate and streamline processing and authorization of negotiations, emergency operations will undergo a single decision review meeting. The same process will be used to obtain all legal borrower documents to ease loan signing and fund advancement. Fiduciary and field staffs are empowered to approve simplified and accelerated procurement, or where counterpart capacity is too weak to contract procurement directly. All emergency operations are now coded as such in operational and financial systems.

38. To support the HFA and ISDR, World Bank set up the Global Facility for Disaster Reduction and Recovery (GFDRR) in 2006 to further develop and implement risk-reduction strategies in disaster-prone low- and moderate-income countries, as well as to foster partnerships in building long-term commitments to mainstreaming hazard risk management. World Bank will manage GFDRR in partnership with the ISDR on behalf of participating partners, and will operate through multiple trust funds. GFDRR has three activity paths (Appendix 4). Track 1 is a grant supporting global and regional disaster risk reduction in low- and middle-income countries. It provides \$5 million in funds annually for 3 years to ISDR. Track 2 mainstreams DRR in 88 high-risk nations over 10 years using country assistance strategies and poverty reduction strategies as entry points. This is a multidonor trust fund costing \$350 million. Track 3 is a standby recovery financing facility to support immediate recovery needs before the launch of medium- and long-term recovery programs. An additional \$1 billion per year is sought from the International Development Assistance for this track. The estimated cost of programs in all three tracks is \$2 billion for 2006–2016.

³⁷ On 1 March 2007, World Bank replaced the 1995 Operational Policy (OP) and Bank Procedures (BP) 8.50 (Emergency Recovery Assistance) with OP and BP 8.00 (Rapid Response to Crises and Emergencies).

³⁸ World Bank’s main assistance instrument, the emergency recovery loan, took 9 months on average to process, and was subject to additional delays and slow disbursement. More than two thirds of the loans required extensions to the 3-year closing date.

III. LESSONS LEARNED

39. Key aspects of the DEAP are described in Appendix 5. The DEAP is distinguished from its predecessors by two interrelated objectives. The first is to strengthen ADB's effectiveness in supporting DMCs' efforts to manage disaster risk by reducing vulnerability, preventing the occurrence of hazards, and mitigating the adverse effects of hazards. The second is to facilitate rapid assistance from ADB to DMCs in response to disasters and post-conflict situations in an effort to efficiently revitalize their development efforts. The policy seeks to mainstream DRM into the development process by (i) adopting a systematic approach to DRM and DRR; (ii) implementing strategies for short-term rehabilitation and reconstruction that lay the foundations for medium- and long-term development and broaden approaches to post-disaster assistance; (iii) working more closely with DMCs to help them adopt an approach that emphasizes preventive measures; (iv) strengthening partnerships to maximize synergies among development and specialized relief agencies; and (v) improving organizational arrangements within ADB for planning, implementing, and communicating about disaster and emergency assistance. OED identified some of these as lessons from previous emergency experiences in its 2005 report that undertook a preliminary assessment of ADB's Indian Ocean tsunami experience.³⁹

40. Since the introduction of the DEAP in 2004, ADB has followed the principles underlying the policy during its involvement in the many disasters and conflicts that have occurred in the region. Specific operational issues were identified during these actions, and these are summarized in Appendix 6. The 2004 Indian Ocean tsunami and the 2005 Pakistan earthquake disasters, in particular, provided substantial opportunities to apply and assess the DEAP. Important lessons from the 2004 tsunami included (i) the value of community consultations, especially for livelihood and community infrastructure projects; (ii) coordination with development partners; and (iii) incorporation of local capacity building for local government agencies and communities into project designs. For the 2005 earthquake, key lessons included (i) giving the lead function to (strong) government agencies rather than establishing ad hoc systems; (ii) establishing a steering committee within the national government with key players, including international and national CSOs; (iii) keeping all coordination groups to a manageable size and meeting regularly; and (iv) initiating joint damage and needs assessments under government leadership.

41. ADB's main funding mechanism, the emergency assistance loan (EAL), is designed to be short term—it has a completion period of 2 years for natural disasters and 3 years for post-conflict events, both of which can be extended 2 years in exceptional circumstances. Field experience, however, shows that restoration of damaged facilities and infrastructure often takes a long time, and sometimes requires redesign to be sustainable. A preliminary review by the Regional and Sustainable Development Department (RSDD) of 11 EALs approved during 2001–2005 showed that planned disbursements ranged from 3 years to 5 years. This suggests that projects identified for EAL consideration should be selected more carefully; longer-term rehabilitation and reconstruction activities should be mainstreamed into forward country operations plans. However, the short time frame for EALS means that longer-term and more sustainable disaster risk-reduction options—such as rezoning, relocating critical infrastructure, or creating sustainable disaster management institutions—will require other mechanisms.

³⁹ ADB 2005. *ADB's Response to Emergencies: Were We Prepared for the Tsunamis?* Manila (Operations Evaluation Department, March).

42. The 12-week processing requirement for an EAL assumes that disaster impact is a single event that starts from a fixed time. This prerequisite can cause problems when serial impacts occur that affect a region for an extended time. This was demonstrated in the 2005 typhoon season in Viet Nam when several major storms impacted a part of the country from October through December. As a result, overall damage assessments were not fully available until April 2006.⁴⁰ For almost all likely natural hazards in the Asia and Pacific region, this is a possibility.⁴¹ Serial hazard impacts can have a similar economic effect on the poor (para. 8) as a single large disaster event. As such, the provisions set out in the DEAP (footnote 1, para. 92 [ii] and [iii]) and the relevant sections of the *Operations Manual* need to be interpreted flexibly and might need to be revisited when the policy is reviewed.

43. The creation of specific funds for the Indian Ocean Tsunami and Pakistan earthquake raises the question of whether ADB needs to augment current modes with a quick-response instrument. This issue has been raised on several occasions. A fund would be a visible indicator of ADB willingness to assist stricken DMCs, and could align the institution internationally with the disaster risk reduction orientation outlined in Section II of this paper. IADB, African Development Bank, and World Bank have funding mechanisms of this type.

44. ADB's existing modes have not addressed successfully the maintenance of replacement structural mitigation works, an issue that other MDBs are also struggling with. Maintenance of essential infrastructure was found to be a significant worldwide failing in disaster rehabilitation projects. OED raised the issue of infrastructure maintenance following its 2005 review of ADB's response to emergencies. It returned to this topic in 2007, noting that the DEAP can restore facilities only to pre-disaster conditions (even when they are inadequate), which prolongs the circular problem of inadequate maintenance.⁴² Maintenance options should be an integral part of the discussions during the planning stage of structural mitigation and rehabilitation works.

45. OED's report on the Indian Ocean tsunami noted that several evaluations of pre-2004 emergency responses distinguished between restoration (or repair) and rehabilitation (in the sense of renovation).⁴³ It raised the issue of whether resources should be used to restore services to pre-disaster levels, noting these were often inadequate; or whether funds should be used to improve the quality. OED noted that a majority of evaluators favored short-term repair to reinstate the situation *ex post ante*, thereby maintaining the status quo encouraged in the 1987 and 1989 policies.⁴⁴ This issue remains unclear in the 2004 policy document. Although the DEAP makes a strong case for and encourages hazard mitigation (in the sense of reducing hazard risk), the *Operations Manual* sends a mixed message by using the term "rehabilitation" as a synonym for "repair" and "mitigation" as a substitute for "alleviation". Similarly, the DEAP characterizes "disaster" in a way that sets it apart from existing definitions. ADB's description still carries vestiges of the traditional "act of God" perspective by portraying disaster as a sudden occurrence. This description was largely abandoned in the 1990s when disaster management changed from an essentially reactive and response-focused command-and-control civil defense approach to a more proactive direction characterized by risk management and

⁴⁰ Refer background and comments matrix in *Issues Paper for MRM 25 September 2006: VIE: Calamity Damage Rehabilitation Project*. Manila.

⁴¹ For geophysical events, such as an earthquake and volcanic eruption, sequencing can go on for months, years or decades, as can droughts; other meteorological events such as flood, wildfire, or severe storm 'seasons' can take weeks to months.

⁴² See (i) footnote 40 and (ii) ADB. 2007. *Kyrgyz Republic: Flood Emergency Rehabilitation Project*. Project Performance Evaluation Report. Manila (OED).

⁴³ OED's definition of rehabilitation differs from that used by the disaster management community cited in the glossary.

⁴⁴ This position also differs from current international thinking about "building back better."

sustainable hazard management. Adoption of the UN/ISDR nomenclature will overcome these issues.

46. The DEAP emphasizes a disaster-cycle model, which encourages dividing disaster problems into smaller entities, such as emergency response, rehabilitation, reconstruction, mitigation, preparedness, and early warning. This orientation draws attention to the character of the disaster: it is now widely recognized that relief, early recovery, reconstruction, and development are not sequential stages in disaster response, but need to be planned and pursued in parallel. From a community-at-risk perspective, it is better to shift from a disaster-cycle model to a DRR framework because it focuses directly on links between development and poverty, as well as disaster risks and vulnerability.

47. In the Small Group Workshop on Preparing for Large-Scale Emergencies in July 2007, participants noted that regional entities work in isolation with a consequent “high chance” for overlap and missed opportunities. A regional consortium would increase harmonization and collaboration. ADB was expected to play a leadership role, with workshop participants looking forward to more active engagement of ADB in a regional consortium.⁴⁵ The workshop recommended a regional workshop be held within 12 months to follow up on two important regional issues: (i) reaching consensus on the basic principles and components of risk and vulnerability assessment tools; and (ii) identifying emergency preparedness measures that at-risk countries in the Asia and Pacific region could use as criteria to assess current practices and procedures, or to follow when developing preparedness programs.

IV. IMPLEMENTING ADB’S DISASTER AND EMERGENCY ASSISTANCE POLICY

48. Natural disasters represent a sufficiently important development issue to warrant programming and consistent attention, including strategies at the country level, to counteract the institutional and incentive distortions that thwart DRM, limit investment in DRR, and interrupt approaches designed to encourage inclusive growth.⁴⁶ The 2004 policy focuses on preventive and protective strategies, and emphasizes the importance of close collaboration with development partners. The principles underlying the DEAP have been followed; assistance instruments, such as the EAL, portfolio restructuring, and TA have been utilized; and the anchor and national officer positions have been filled. However, other key institutional arrangements and strategic partnerships designed to underpin ADB’s approach have not been implemented.

49. While no new resources were budgeted at the time that the DEAP was approved, the paper noted that resource requirements would be met through reallocation to the extent possible. The policy goes on to identify organizational and resource requirements that include (i) an anchor position and a national officer, (ii) a secondment program of specialized staff from partner agencies, (iii) specialist consultants, (iv) designated focal points in each regional department, and (v) designated focal points in each resident mission.

50. To provide effective assistance to reduce poverty through inclusive growth, and to encourage social development and good governance, it is useful for ADB to approach DRM as

⁴⁵ Record of Discussion. Small Group Workshop on Preparing for Large-Scale Emergencies. ADB Headquarters, 5–6 July 2007. Manila (p. 23).

⁴⁶ ADBI. 2007. *Pro-Poor to Inclusive Growth: Asian Prescriptions*. ERD Policy Brief No. 48. Manila: ADB, Economics and Policy Research Department.

an investment in sustainable development. Disasters can affect ADB's core mission and hold back progress in the five strategic priorities identified in the medium-term strategy II 2006–2008.⁴⁷ DRM is an investment in sustainable development that can reduce costs and generate income. Disasters are foreseeable events, the effects of which can be reduced—and in some cases prevented—by supporting people's ability to avoid, resist, and recover from their impacts. The cycle linking poverty with disasters can be addressed with an inclusive growth focus that integrates DRM. When the links to development are recognized, disincentives to DRR can be overcome. A body of evidence and experience now illustrates the economic and social gains in reducing risks (para. 16). These gains are direct investments since resources not spent in recovering from disaster are resources available for other development priorities. Successful DRR contributes to good governance, and good governance enables successful DRR. Promoting DRR through national platforms is one way that governance and DRR interact. Many of the standard tools used in designing projects, such as environmental appraisals, economic appraisals, vulnerability and social analyses, risk assessments, and log frame analyses, also can be used to assess risks emanating from natural hazards and benefits of potential DRR options.

V. CONCLUSIONS

51. Preparations for the 2004 DEAP identified several issues that ADB needs to focus on to achieve greater efficiency and effectiveness in delivering emergency assistance, and to help ADB achieve its overarching goal of poverty reduction. The DEAP offers a comprehensive approach to DRM and its associated DRR activities. Recent major disasters indicate that DEAP continues to be reasonably robust, and no major changes are required at present.

⁴⁷ The priority areas are (i) catalyzing investment, (ii) strengthening inclusiveness, (iii) promoting regional cooperation and integration, (iv) managing the environment, and (v) improving governance and preventing corruption. Refer to ADB. 2006. *Medium-Term Strategy II 2006-2008*. Manila (p. 7).

MILESTONES IN DISASTER RISK MANAGEMENT: THE ADB EXPERIENCE

Year	Event	Outline
1987	<i>Rehabilitation Assistance to Small DMCs Affected by Natural Disaster</i>	Addressed the special needs of small Pacific DMCs and the Maldives, following representations to establish a special facility to expedite assistance to Pacific islands affected by tropical cyclones and other natural disasters. Previously, ADB addressed reconstruction requirements through normal project lending.
1989	<i>Rehabilitation Assistance After Disasters</i>	Recognized the need for ADB to formalize its involvement in assisting DMCs in their disaster rehabilitation efforts; acknowledged that timely intervention would allow DMCs to maintain normal development momentum, which otherwise would be disrupted by reallocating budget from development to disaster needs.
1990	Technical Assistance for Regional Study on Disaster Mitigation	Funded a pioneering study in the Asia and Pacific region directed at helping DMCs become aware of their disaster management responsibilities, and identifying reliable state-of-art disaster mitigation techniques and methods for hazard mitigation. The study also provided a forum for exchanging experiences and views on designing and implementing national mitigation strategies.
1991	Publication of Disaster Mitigation in Asia and the Pacific	An output of the 1990 TA, this was the first purpose-designed textbook focused on the Asia and Pacific region, and one of the first books to address disaster management from a developing nation perspective. Provided technical background papers and country case studies.
1991	Publication of Disaster Management – A Disaster Manager's Handbook	The second output of the 1990 TA, and the first reference guide specifically designed for personnel in DMCs tasked with the management of natural disasters.
1993	Strengthening the Asian Disaster Preparedness Center	ADB funds a regional technical assistance project to help Asia's first disaster-specific center evolve into a stronger regional presence by enhancing its capacity to help the region meet the demands of operational disaster management.
1998	Technical assistance for transboundary hazard mitigation	ADB provides assistance to strengthen the capacity of ASEAN to prevent and mitigate transboundary atmospheric pollution.
2000	ADB joins ProVention	World Bank created ProVention in 2000 as a dedicated trust fund to address the increasing frequency and severity of natural disasters and their social, economic, and environmental impacts on developing countries. ProVention functions as a network to share knowledge, and connect and leverage resources aimed at reducing disaster risk in developing countries.
2004	<i>Disaster and Emergency Assistance Policy</i>	An integrated disaster and post-conflict policy that supersedes earlier courses of action, the DEAP seeks to (i) adopt a systematic disaster risk management approach; (ii) mainstream DRM as an integral part of the development process; (iii) strengthen partnerships to maximize synergies among development and specialized relief organizations to enhance effectiveness of emergency aid to DMCs; (iv) use resources more efficiently and effectively to better support pre- and post-disaster activities; and (v) improve organizational arrangements within ADB for planning, implementing, and communicating disaster and emergency-related assistance. An operations manual also was produced
2005	ADB signs the Hyogo Framework of Action	The Hyogo Declaration and the Hyogo Framework of Action are outcomes of the UN World Conference on Disaster Reduction, held

Year	Event	Outline
	2005–2015	in Kobe, Japan, in January 2005. They represent landmarks in worldwide understanding and commitment to implementing a disaster-reduction agenda—168 states and institutions resolved to pursue the substantial reduction in disaster losses of communities and countries within (2005–2015) in conformity with the Millennium Development Goals.
2005	Establishment of the Asian Tsunami Fund	The Asian Tsunami Fund is the first ADB facility to channel funds targeted specifically at regional disaster relief and reconstruction. It was established following the destructive earthquake and tsunami in December 2004, which affected 14 countries bordering the Indian Ocean. Intended as a single-purpose fund to assist the five worst affected DMCs, a change in implementation arrangements enabled subsequent large-scale disasters in 2005 (Pakistan) and 2006 (Indonesia) to also benefit.
2006	Revision of Procurement Guidelines	Streamlines ADB's business processes to better accommodate the realities of disaster, including reducing processing time, flexible interpretation of procedures, special audit procedures for emergency assistance, relaxed procurement requirements, rapid disbursement, retroactive and supplementary financing, and relaxed consultant recruitment requirements.
2006	Appointment of disaster risk management focal point	ADB employs a specialist to coordinate and monitor policies and strategies associated with the 2004 DEAP.

ASEAN = Association of South East Asian Nations, DEAP = Disaster and Emergency Assistance Policy, DMC = Developing Member Country, TA = technical assistance.

**NATURAL DISASTER AND POST-CONFLICT ASSISTANCE BY PROJECT TYPE
1987–2006**

<p>Project Preparatory Technical Assistance (PPTA)</p> <p style="text-align: center;"><u>Mitigation</u></p> <p>Coastal zone management Drainage improvement Flood mitigation Flood control Flood management sustainability Flood, wetland and biodiversity management Highland agriculture development Irrigation, flood control, drainage; flood control irrigation development Integrated flood control Integrated flood protection Municipal development River erosion mitigation Plantation project/cyclone-prone areas</p> <p style="text-align: center;"><u>Rehabilitation</u></p> <p>Coastal embankment rehabilitation, Assessment of reconstruction cost Drought relief</p> <p style="text-align: center;"><u>Emergency assistance</u></p> <p>Preparation of emergency rehabilitation project</p>	<p>Early warning system Fire prevention & drought management Flood disaster management Farm debt resolution & policy reforms Food crop policies Impact & response management program Initiative to combat desertification Land development controls Locust management Natural resource management; livelihood development and natural resource management Needs assessment Operation & maintenance strengthening Postal services development Project implementation in transport & agriculture</p> <p style="text-align: center;"><u>Rehabilitation</u></p> <p>Monitoring & management of rehabilitation program Reconstruction of housing & capacity building; resettlement management Rehabilitation of telecommunications sector Saving trees Transport sector restoration</p>
<p>Advisory and Technical Assistance (ADTA)</p> <p style="text-align: center;"><u>Mitigation</u></p> <p>Coastal zone management Drainage rehabilitation Disaster preparedness & management capacity building, strengthening of disaster management and mitigation; disaster mitigation and management Institutional strengthening of ADPC Prevention & control of dust & sandstorms Strengthening capacity- transboundary air pollution Water resources management capacity building World Conference on Natural Disaster Reduction Strengthening the tsunami Development Assistance Database</p> <p style="text-align: center;"><u>Emergency assistance</u></p> <p>Emergency support High-level coordination meeting-rehabilitation and reconstruction assistance</p>	<p style="text-align: center;"><u>Emergency assistance</u></p> <p>Emergency rehabilitation management Emergency power rehabilitation</p> <p>Regional Technical Assistance (RETA)</p> <p style="text-align: center;"><u>Mitigation</u></p> <p>Disaster mitigation - Regional study Information and communication technologies and preventive education; vulnerability & risk reduction among minorities through communication strategies Restoration of livelihoods of farmers, community restoration & development Seismically upgraded housing; rebuilding Sustainable livelihood development for coastal communities</p> <p>Sustaining income & basic human needs (BHN) of poor; Reducing vulnerability of the poor to disasters</p>
<p>Grants</p> <p style="text-align: center;"><u>Mitigation</u></p> <p>Combating land degradation Flood forecasting & early warning Prevention & capacity development; Community action for prevention</p>	<p style="text-align: center;"><u>Emergency assistance</u></p> <p>Emergency infrastructure rehabilitation & reconstruction Tsunami emergency assistance; earthquake & tsunami emergency support</p> <p style="text-align: center;"><u>Rehabilitation</u></p> <p>Flood damage rehabilitation Road employment project-refugees & displaced persons; integration of displaced persons Community water services & health Contribution to Multidonor Trust Fund</p>

WHAT DOES DISASTER RISK REDUCTION LOOK LIKE?

Attributes of Disaster Risk Reduction	
DRM categories	Elements of Sound Practice
Sustainable institutional structures and good governance	<ul style="list-style-type: none"> • Reform of national disaster management agencies and establishment of stronger coordination mechanisms • Linking community-led experience with national-level policy making • Improved environmental management and control mechanisms • Efforts to reduce corruption to strengthen building codes and land use • Developing macroeconomic policies and regulatory reforms to produce an enabling environment conducive to strong public–private participation
Risk identification, monitoring, early warning, and public awareness	<ul style="list-style-type: none"> • Comprehensive multi-hazard risk, vulnerability, and capacity assessments at all levels • Management and dissemination of knowledge on risk • Effective early warning systems for threats including famine, drought, riverine and coastal floods, typhoons and severe storms, tsunami • Communication and awareness raising about hazard threats
Technical and physical risk mitigation	<ul style="list-style-type: none"> • Improved design and construction of physical infrastructure, particularly critical infrastructure (transport networks, communication systems, energy networks, etc.) and key public facilities (schools, hospitals, etc.) • Improved maintenance and repair of physical infrastructure • Well-structured land use, planning, and zoning systems • Appropriate structural interventions to reduce risk (e.g., maintenance of wetlands in flood plains) • Improved use of climate data to encourage more effective water management, agricultural planning, and health care
Building resilience, promoting innovation, knowledge, and education	<ul style="list-style-type: none"> • “Disaster proofing” livelihoods to make them more resilient in disaster-prone areas • Use of science and technology to develop appropriate livelihoods for populations at risk • Promotion of risk awareness through education at all levels • Improving information on the likely impacts of climate change
Risk sharing and risk transfer	<ul style="list-style-type: none"> • Use of insurance and reinsurance instruments (e.g., crop insurance for farmers) • Establishment of calamity funds for use in times of crisis • Use of safety nets for the most vulnerable (e.g., microcredit and cash transfers)
Preparedness, effective response, and sustainable recovery	<ul style="list-style-type: none"> • Community-level disaster preparedness incorporating a focus on safe behavior and practices • Well-resourced and prepared response systems with a focus on national and local capacity • Ensuring recovery includes efforts to reduce underlying risk factors—including through engagement with decision makers and the public on future efforts to reduce disaster risks

Source: Department for International Development. 2006. *Reducing the Risk of Disasters – Helping to Achieve Sustainable Poverty Reduction in a Vulnerable World: A DFID Policy Paper*. London.

Box A3: What Does Disaster Risk Reduction Look Like?

Systematic comparisons of economic impacts of natural disasters in countries with and without well-developed disaster risk reduction (DRR) measures have not been undertaken. However, the general literature on natural disasters indicates that significant benefits can be realized from well-developed DRR strategies. Moreover, a 2004 scoping study by the Department for International Development of the UK found that poverty alleviation, development, and DRR are highly correlated—i.e., inadequate attention to DRR hinders progress in poverty alleviation and development. Bringing DRR and development concerns closer together requires three basic steps:

- (i) Collecting basic data on disaster risk and developing planning tools to track the changing relationship between development policy and disaster risk levels.
- (ii) Collating and disseminating best practice in development planning and policy that reduce disaster risk.
- (iii) Galvanizing political will to reorient the development and disaster management sectors.

DRR is addressed by integrating disaster preparedness and mitigation measures into longer-term development processes. This means ensuring that DRR is incorporated into government planning for development through, for example, poverty reduction strategies. It implies a commitment to long-term processes, support for appropriate legislative frameworks, and long-term budgetary provision. DRR measures consist of policy and planning, as well as physical components. Policy and planning measures are implemented at the national or regional level, and help integrate DRR into the policy framework. Physical measures are designed to reduce vulnerability and exposure of infrastructure to natural hazards, as well as to provide coping and adaptive infrastructure in case of a disaster event. Increasing importance is given to measures that are designed and implemented at the community level, particularly strengthening communities to better respond to and cope with a disaster event through training and capacity building. Historically, international attention has tended to come after disaster events, rather than preparing for disasters before they occur.

This has been largely due to the lack of evidence of the effectiveness of DRR, as well as the organizational and historic separation of humanitarian relief and development activities. Although competing priorities and scarce resources mean that poor countries are often unable to dedicate the same resources to risk reduction as richer countries, cost-effective policy choices that can lower risk are within the reach of even the poorest. DRR projects might have other additional benefits. For example, flood protection structures can provide irrigation or drinking water and electricity. Other examples of DRR benefits include:

- (i) Improvements in networks and links across civil society, as a way to strengthen the capacity to respond to natural disasters, also can have the longer-term benefit of improved governance and more organized society.
- (ii) Proper planning processes to prevent development on floodplains, or the creation or development of unstable slopes, are more likely to be able to deliver basic necessities, such as potable water, drainage and sewerage, power, and community facilities, than informal settlement activity.
- (iii) Shelters, such as the raised flood shelters in Bangladesh, can serve as community facilities (schools, clinics) for the majority of the time when natural disasters are not occurring.
- (iv) Through the improvement of water supply systems in rural areas, DRR ensures sufficient potable water during floods or droughts. The additional benefits are that water supply is improved regardless of a disaster event occurring.
- (v) The construction and use of drainage pumps, as an example of strengthening the capacity to cope with floods, has the added advantage of improving irrigation practices, possibly leading to more efficient and effective agricultural practices.
- (vi) Community-based disaster preparedness often emphasizes the important role of women. This has the added benefit of improving women's involvement in community-level activities.
- (vii) Installing more resilient wireless (rather than fixed line) communications plays a more general role in enhancing access to telephony and electronic data services, which has been shown to have positive socioeconomic development impacts.
- (viii) Training farmers to diversify the use of crops, as a strategy to survive droughts, can have the added advantage of generally reducing vulnerability to poverty.

KEY FEATURES OF THE GLOBAL FACILITY FOR DISASTER REDUCTION RECOVERY

1. World Bank will manage the Global Facility for Disaster Reduction and Recovery¹ (GFDRR) on behalf of participating donors and will operate through multiple donor funds. Its mission is (i) to mainstream disaster reduction and climate change adaptation into country development strategies to reduce vulnerabilities to natural hazards, and (ii) foster and strengthen global and regional cooperation under the UN International Secretariat for Disaster Reduction (ISDR) system. To the maximum extent feasible, complementarities and collaborations will be sought with other programs of participating donors, country governments, international financial institutions, regional development banks, civil society organizations (CSO), and others.
2. The work of GFDRR is divided into three tracks:
 - (i) **Track 1: Support to ISDR through the secretariat.** This track is designed to enhance global and regional advocacy, partnerships, and knowledge management for mainstreaming DRR, and to promote standardization and harmonization of DRR tools and methodologies. World Bank will contribute funds through its development grant facility (GDF). Activities will be coordinated and implemented by the ISDR Secretariat in cooperation with regional organizations.
 - (ii) **Track 2: Support to countries for mainstreaming DRR in development.** This track consists of donor contributions provided to trust funds administered by World Bank. It was designed to (a) provide ex ante support primarily through technical assistance to low- or middle-income high-risk countries; (b) support strategic processes in the pipeline; (c) support strengthening national institutions for DRR and emergency preparedness, including multicountry programs for management of transboundary risks. Activities typically originate from country-specific proposals or ISDR system members. The financial structure for track 2 comprises core funds pooled from World Bank trust funds to be used for activities approved by the Consultative Group, and non-core funds from World Bank trust funds to be expended in accordance with specific designations by donors. Grant agreements comply with World Bank guidelines.
 - (iii) **Track 3: Standby Recovery Financing Facility.** This track was to support primarily low-income countries for accelerated disaster recovery, comprising (a) technical assistance to support integrated international approaches to disaster recovery, and (b) a callable fund for ex post support to fund immediate recovery needs.
3. GFDRR's governance and organizational structure comprises:
 - (i) **Consultative Group.** Members were the chair, World Bank vice president, sustainable development; donors contributing at least \$3 million cash cumulatively over 3 consecutive years in track 2 core funds or track 3 funds; ISDR chair; Results Management Council chair; and recipient countries contributing \$500,000 cash over 3 years. The term (excluding the chair and ISDR) is the duration of the minimum contribution or 3 years, which ever is more. Tasks include defining policies and strategies, project approval procedures, determining priorities, and approving and amending the Charter.
 - (ii) **Results Management Council.** Members were the World Bank director; director ISDR Secretariat; five representatives from stakeholders; and five prominent

¹ Information compiled from United Nations International Strategy for Disaster Reduction and the World Bank. 2007. *Global Facility for Disaster Reduction and Recovery Charter*. (30 March).

experts. The term will be 2-year staggered rotational membership. Tasks include ensuring quality, relevance, and impact of GFDRR activities.

- (iii) **GFDRR Secretariat:** Based in World Bank's Washington offices. Staff is recruited internationally based on relevant expertise following World Bank recruitment rules.

THE DEAP 2004 AT A GLANCE

Overview (paras. 59–63)			
The ADB Charter precludes the organization from providing relief, but this can be addressed within a more systematic framework that encompasses natural and non-natural disaster and post-conflict reconstruction, and mainstreams actions as an integral part of development. The objective is to enhance ADB's capacity and improve effectiveness in assisting affected DMCs. Rehabilitation and reconstruction to lay framework for medium- and long-term development. Emphasis to shift from only responding to disaster to support for preventive and protective measures. Activities applied by working with DMCs; partnerships with specialized agencies strengthened.			
Policy Framework (paras. 64–71)			
Disaster Management Cycle Takes in management functions of planning, organizing, staffing, leading, and controlling within an interorganizational context. Cycle components include (i) development or prevention, (ii) trigger event, (iii) emergency or transition, and (iv) recovery. These phases also apply to post-conflict; both situations require (i) risk and vulnerability assessment, (ii) early warning, (iii) mitigation, and (iv) preparedness.		Strategic Phases (i) Prevention, Mitigation, and Preparedness. Entails planning and programming to enhance DMC capacities to identify and cope with vulnerability. Should be mainstreamed into the national development processes of DMCs. (ii) Transitional Assistance and Priority Rehabilitation. Backing to tackle high-priority physical and social infrastructure. Social, institutional, and capacity needs to follow in partnership with specialized agencies. (iii) Recovery. Begins with joint damage and needs assessment to identify priorities. Also includes a full communications plan in anticipation of subsequent ADB activities.	
Analytical Assessment (paras. 72–80)			
Risk & Vulnerability Assessments Basis for sound impact reduction. Regional partners can provide information. ADB to support observation and early-warning services in DMCs. ADB will build on environment and social appraisals for hazardscape and vulnerability risks, and incorporate as specific inputs to CPSs.	Watching Briefs In locations where ADB portfolio is inactive, watching briefs will help maintain knowledge on social and economic trends. This information will come from reliable third parties.	Damage and Needs Assessment Joint DNA mission a priority; and basis for preparing RRP or IOS. Will include portfolio assessment within and across existing ADB projects and sectors for required restructuring. Communication plan to be included, mission to informed by Government and will maintain links with key shareholders.	
Assistance Instruments (paras. 81–99) – see also <i>Operations Manual</i> (D7/BP)			
Portfolio Restructuring and Loan Savings Restructuring ADB resources in and across projects and sectors is #1 option if original purpose fulfilled or objectives no longer valid. ADB may agree to reallocate surplus from other loans to DMCs. In special circumstances ADB may reallocate outstanding loan proceeds in response to Government emergency priorities.	Emergency Assistance Loans Restricted to transition phase to restore priority assets, capacity, or productivity. To be linked with humanitarian efforts of specialized partners. Completion in 2 years for disasters, 3 years for post-conflict (extended 2 years in exceptional settings). ADF terms for DMC A, B1, and B2 groups for disaster; post-conflict operations as with IDA-13.	Normal Development Loans The next step after an EAL. RRP and IOS are to be the basis for reconstruction loans on normal terms.	Technical Assistance for Disaster & Emergency Support for short-term post-impact needs and/or enhance an EAL.

ADB = Asian Development Bank, DMC = Developing Member Country, EAL = emergency assistance loan, IDA = international development assistance, IOS = interim operation strategy, RRP = Report and Recommendation to the President.

OPERATIONAL LESSONS FROM RECENT DISASTER AND EMERGENCY ASSISTANCE

Issue	Lesson	Possible Solution
Disaster		
Following the Pakistan earthquake, the poor were disadvantaged in recovery by limited access to resources, and fewer options for recovery.	Recovery programming is not always focused on pro-poor and poverty reduction and is not systematically tracked, so poor people end up losing out.	Careful poverty targeting and sensitive project design can lead to major poverty-reduction impacts even under difficult post-disaster circumstances. Inclusive growth policies that challenge the underlying causes of poverty, vulnerability, and livelihood impairment should be advocated.
In Pakistan, the earthquake shifted gender roles.	Rethink social conditioning and type of contributions household members make.	Develop a gender and vulnerability reduction action plan that incorporates livelihood improvement.
In Pakistan, the broad collection of actors supporting recovery increases the complexity of planning.	Integrated and multisector programming is needed to significantly facilitate planning and implementation.	Phasing of response and recovery should follow where possible the expressed needs of the affected population, rather than the timetable of outside agencies.
While the DEAP suggests flexibility, it is not necessarily evident from a DMC perspective.	Greater clarity and allocation in the execution of authority for disaster actions is needed.	Perhaps certain authorities need to be delegated to country directors.
In Pakistan, most knowledge gained during the DNA has been lost to the project team.	By focusing on speed, openings may have been missed to identify a project team that would deliver, certainly for the first year.	Ideally, the project delivery team leader should be either the DNA team leader or deputy team leader.
In Pakistan, perhaps 80% of the work in 2007 is institutional and organizational rather than technical.	This aspect is underestimated, and as a result organizational risk is not adequately addressed.	Arrange DNA and project teams accordingly. Mainstream capacity development into DRM, including capacity development assessment.
In the Indian Ocean tsunami, targeting development and reconstruction of tsunami-affected areas opens a set of equity issues regarding surrounding areas. It is politically difficult to spend vast sums of money to redevelop one village (or part of) and then leave immediate neighbors in poverty with deficient essential infrastructure and services.	An enlarged agenda will lengthen the time and resources required to recover and develop the wider region.	National policy, with respect to land use, disaster compensation, and other politically charged issues, needs to be thought out before disaster strikes. These policies must be in place to guide decision makers as disaster occurs. Determining national policy in the midst of disaster relief and recovery operations is difficult.
(Tsunami) Recovery demands a high degree of local participation in decision making, which is time-consuming, but necessary.	Local capacity for disaster management must be developed.	Given the weak local capacity in conflict-affected areas, ADB should recognize likely problems and factor them into planning, funding, and implementation processes.
(Tsunami) Recovery costs of operations are inflated due to rising rents for administrative staff, rapidly rising wages for local skilled (and scarce) people, increased insurance premiums, and danger money required in some areas.	Post-disaster conditions can skew costs and operating conditions.	Supply constraints must be dealt with on a priority basis, because failure to do so will enervate other activities.
The tsunami triggered offers of support from various sources and resulted in some players providing assistance, including NGOs and humanitarian aid organizations with which ADB has not had much interaction.	Some ADB staff are uncertain how to deal with the many organizations. Regular dialogue with key organizations could provide helpful insights for future involvement of ADB.	Assign an ADB staff as the DEAP focal point at resident missions. This can also strengthen ADB's response capacity during early recovery. A roster could be drawn up of on-call experts (country and subject specialists) in and outside of ADB able to provide advice or be involved.

Issue	Lesson	Possible Solution
During the tsunami, ADB staff had to deal with government agencies it had previously not dealt with. Also, DMC disaster organizations are not part of normal operational relationships of resident missions or regional departments.	Being familiar with country disaster organizations is important. In addition, it is wise to be familiar with the risk profile of a country since key information and technical resources depend on what hazards are most likely to cause problems.	A resident mission and regional development staffer could be tasked as liaison with disaster-related agencies in high-risk DMCs.
Infrastructure projects form the basis of much that ADB could claim as its comparative advantage. Loans and technical assistance are the main modes of assistance, with grants given to countries that are eligible for ADF support, as well as others such as the Japan Fund for Poverty Reduction. Reputation risk emerges if a DMC requests a grant instead of a loan. Multidonor trust funds managed by other multilateral development banks have become an option.	On the whole, the mode of assistance might need to be patterned according to the activities or components to be undertaken in the project. For example, risk-reduction elements in the project might serve as conditions for providing a grant instead of loan.	Disaster funding options could be studied. ADB might consider the type of concessions that could be made for specific modes. Conditions favoring multidonor trust funds could be reviewed.
Conflict		
In Nepal, delivering development assistance effectively in a conflict setting is a major challenge	(i) Promote local service delivery and active participation of key stakeholders to ensure projects are demand-driven and sustainable. (ii) Work to enhance public policy and institutional performance that can result in a more enabling environment for private initiatives.	(i) More sector-wide and programmatic approaches should be used. (ii) Participation of a wider spectrum of stakeholders and institutions in the design and implementation of all projects will be encouraged.
(Nepal) Conflict and chronic poverty are major issues.	Ensure development assistance delivers quick and tangible benefits to those who have been excluded from economic and social progress.	Spread the benefits of development by addressing the exclusion of women and disadvantaged groups, and by addressing other key impediments to poverty reduction
(Nepal) The low level of disbursements is an issue.	Financial performance is essential to development work.	(i) Reduce start-up delays of new projects. (ii) Maintain project staff in place during implementation. (iii) Design fewer projects that are less complex, are more closely integrated with government sector programs, are more process oriented, have more realistic conditions and covenants, and reflect local knowledge in project design and implementation.
In Afghanistan, some policy and institutional structures are unsuitable, and aid coordination is fragmented.	Policy and institutional issues need to be specifically addressed.	Follow-up projects should be prepared in parallel with the implementation of program assistance and quick-impact pilot projects to provide supplementary support that addresses policy and institutional issues.
In Timor-Leste, low institutional capability and absorptive capacity are issues. Inexperienced government managers and under-resourced offices are unable to absorb technical training. The Government is unable to fully execute its own budget	Capacity development is a major component if interventions are to be successful.	Capacity development programs should target the most essential skills and competencies.

ADB = Asian Development Bank, ADF = Asian Development Fund, DEAP = Disaster and Emergency Assistance Policy, DNA = damage and needs assessment, DRM = disaster risk management, NGOs = nongovernment organizations.