



April 2008

Action Plan for Implementing ADB's Disaster and Emergency Assistance Policy

Asian Development Bank

ABBREVIATIONS

ADB	– Asian Development Bank
ADF	– Asian Development Fund
ADPC	– Asian Disaster Preparedness Center
ATF	– Asian Tsunami Fund
BPHR	Human Resources Division (Budget, Personnel and Management Systems Department)
CPS	– country partnership strategy
CSO	– civil society organizations
DEAP	– Disaster and Emergency Assistance Policy
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
ISDR	– International Secretariat for Disaster Reduction (UN)
MDB	– multilateral development bank
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
TA	technical assistance
UN	– United Nations
UNDP	– United Nations Development Programme
WPC	weakly performing countries

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 management	The systematic process of using administrative decisions, organizations, 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 presents an action plan to support the effective implementation of the 2004 *Disaster and Emergency Assistance Policy* (DEAP) of the Asian Development Bank (ADB). The action plan is consistent with *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank 2008–2020*, which calls for mainstreaming disaster risk management (DRM) and providing early and medium-term disaster response and assistance in partnership with selected aid agencies.

The paper focuses on developing approaches that will embed DRM within ADB's operational practices. ADB's risk-reduction activities tend to be in conventional structural mitigation areas. ADB should invest more in sustainable development by instigating additional risk-reduction measures in a systematic manner, such as building in resilience measures into reconstruction projects, assisting regional disaster management institutions, and developing risk transfer methods. ADB should put greater effort into encouraging DMCs to mainstream disaster risk reduction by incorporating it into their planning and development processes. ADB also should incorporate lessons learned from recent major disasters, and develop mechanisms that address the immediate post-impact needs of DMCs. These recommendations are in line with other multilateral development bank activities in disaster and emergency assistance. Led by the Inter-American Development Bank and World Bank, these have evolved into four interconnected components: (i) support for hazard management and disaster risk-reduction activities, (ii) policies and instruments for immediate disaster relief to augment aid provided by other aid agencies (iii) early disaster recovery assistance, and (iv) longer-term reconstruction and rehabilitation assistance.

A practical way for ADB to approach DRM as an investment in sustainable development is to pursue three interrelated objectives over the next 3–5 years: (i) strengthen ADB effectiveness in supporting DMCs' efforts to identify and manage risks from natural hazards through risk assessment, risk transfer, vulnerability reduction, and risk-reduction strategies, and strengthen key DMC institutions involved in DRM and DRR; (ii) facilitate assistance to DMCs following disaster impact to help address immediate needs, assist early recovery measures, build greater resilience into post-impact reconstruction efforts, and identify safer sites for relocation of essential infrastructure; and (iii) encourage and participate as a full partner in actions that assist greater regional disaster risk management cooperation, coordination, and institutionalization.

The action plan is set out in three parts, reflecting minimum actions required to implement the mandatory aspects of the DEAP, actions required to address lessons learned since the policy was approved, and additional considerations that could deepen ADB's incorporation of disaster risk reduction into operations. The first component focuses on implementing the essential elements of the DEAP by developing ADB's internal capacity. The specific actions recommended include the following:

- (i) Adopt a disaster risk-reduction approach to country partnership strategy formulation, including designating DEAP focal points in each regional department and high-risk resident mission. These focal points would inject operational insights into DRR policy initiatives, as well as serve as the regional department's "in-house" reference point and the point of contact for the DEAP anchor.
- (ii) Design, develop, and deliver specific training programs, and associated tools and guidelines, for regional departments and resident mission staff, where possible, in conjunction with other development partners.

- (iii) Establish an informal disaster risk management network within ADB to utilize, channel, and institutionalize the DRM and DRR knowledge and experience of staff.
- (iv) Coordinate with the weakly performing country anchor person and the weakly performing country committee.
- (v) Classify DMCs according to hazard risk.

The second component suggests how to address key issues identified since the DEAP was approved, including the following:

- (i) Update the *Operations Manual* (Section D7/BP) by adopting the nomenclature of UN/ISDR to bring ADB in line with international practice, and clarifying the relevant sections as they pertain to serial hazard impacts.
- (ii) Explore the feasibility of establishing a regional disaster response fund. This recommendation is similar to practices adopted by the Inter-American Development Bank, African Development Bank, and World Bank.
- (iii) Collaborate with key regional partners and develop a regional presence.

The final component represents a longer-term, forward-looking recommendation, to:

- (i) Form a partnership with the GFDRR of the World Bank–UN/ISDR to further develop and implement risk-reduction strategies in disaster-prone low-income and moderate-income DMCs.
- (ii) Strengthen links with civil society and the private sector.
- (iii) Investigate further the viability of a regional risk transfer mechanisms.

I. INTRODUCTION

A. Purpose

1. In 2004, ADB approved the *Disaster and Emergency Assistance Policy* (DEAP). Building on the 1987 and 1989 policies, DEAP encompasses natural, technological and environmental hazards, health emergencies, and country conflict situations. DEAP emphasizes strengthening ADB's effectiveness to support developing member countries (DMC) manage disaster risk to reduce vulnerability, prevent hazard occurrence, and reduce adverse hazard effects; and to facilitate rapid ADB response assistance to DMCs in disaster and post-conflict situations. Since 1987, ADB has provided over \$7 billion in disaster and post-conflict assistance through 235 loans, technical assistance and grants at a rate of almost one per month over the 20-year period.

2. Strategy 2020 states that "ADB will continue to mainstream disaster risk management [DRM]¹ and provide early and medium-term disaster response and assistance in partnership with specialized aid agencies."² Accordingly, DEAP seeks to mainstream DRM into the development process by (i) adopting a systematic approach to disaster risk reduction (DRR)³; (ii) implementing strategies for short-term rehabilitation and reconstruction to lay the foundations for medium- and long-term development; (iii) working more closely with DMCs to encourage adoption of preventive measures; (iv) strengthening partnerships to maximize synergies among development and specialized relief agencies; and (v) improving ADB's organizational arrangements for planning and implementing DRM. The DEAP continues to be robust and does not require a full review and it is in harmony with global initiatives such as the 2005 Hyogo Framework of Action. While ADB's programs cover pre- and post-impact, greater support for risk-reduction activities is suggested.

B. Disaster Risk as a Development Issue

3. Development efforts are frequently disrupted by natural disasters which can sharply increase poverty and set back the pace of social and economic progress. However, country partnership or poverty reduction strategies tend to view disasters as interruptions to development rather than as a risk integral to development, even in countries that experience multiple impacts. An analysis of what transforms a natural hazard into a disaster reveals similar fundamental issues that development programs deal with such as (i) persistence of widespread urban and rural poverty; (ii) degradation of the environment; (iii) persistent poverty among certain groups; (iv) lagging investments in infrastructure; and (v) weak governance.

4. The international community recognizes the implications that disasters have on development, and DRR is emerging as a field in development work although it has yet to cohere around concrete best practices. This approach is assisted by evidence, mostly from developed nations, that show substantial economic and social gains can be made by adopting DRR which is more affordable than repairing damage after impact, the latter which often approaches 20–40% of the original cost. The World Bank estimates countries could save \$7 on recovery costs for every \$1 spent on DRR. Achieving this requires a comprehensive approach that emphasizes

¹ Disaster risk management is the systematic process of using administrative decisions, organizations, operational skills, and capacities to implement policies, strategies, and coping capacities to reduce the impacts of disasters.

² ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank 2008–2020*. Manila. Paragraph 53

³ Disaster risk reduction defines 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.

actions taken prior to disaster rather than on post-impact recovery. The aim of DRR is not to restore things the way they were before a disaster but to increase vulnerable communities' capacities and strengthen their coping strategies to deal more effectively with adverse events.

II. IMPLEMENTING ADB'S DISASTER AND EMERGENCY ASSISTANCE POLICY

A. Action Plan

5. This action plan recommends an approach for effectively embedding DRR into ADB operational processes at the country level, and for assisting DMCs in development DRM. It has been circulated for interdepartmental comments, and revised to reflect guidance received. A companion paper, *Implementing ADB's Disaster and Emergency Assistance Policy: Managing the Risks*, provides background material on ADB's approach to disaster assistance since 1987 when ADB's first disaster policy was introduced; lessons learned from ADB's response to several large-scale natural disasters since the DEAP was approved in 2004; and looks at current international initiatives and practices to implement DRM and DRR into development practices including comparator practices in other multilateral development banks.

6. The purpose of the action plan is to mainstream DRR into ADB's regular operations, and to prioritize and cost key activities that will be required in the short to medium term to comply with the DEAP. Key objectives are to (i) develop ADB's internal capacity to implement the DEAP requirements; (ii) ensure that vulnerability assessments are undertaken as part of the CPS process, and to make certain that the natural hazard vulnerability of a DMC is taken into consideration as part of program or project designs; (iii) pay special attention to DMCs that are known to be at high risk from natural disasters; and (iv) develop ADB as a regional presence in DRM and DRR. To achieve these aims, ADB over the next 3–5 years will (i) develop a training program for key operations staff; (ii) strengthen its effectiveness in supporting DMCs in identifying and managing risks from natural hazard through risk assessment, vulnerability reduction, and risk-reduction strategies, and by strengthening institutions involved in DRM and DRR; (iii) facilitate assistance to DMCs following disaster impact by helping address immediate impact needs, assisting with early recovery measures, building in greater resilience to post-impact reconstruction efforts, and identify safer sites for relocation of essential infrastructure; and (iv) participate as a full partner in actions that assist greater regional DRM cooperation, coordination, and institutionalization. In pursuing these objectives, synergies should be developed between DRR and support for adaptation to climate change, because integrating these perspectives is likely to benefit both agendas, as long as geophysical hazards are not treated as secondary issues in the process.

7. With the DEAP, ADB has programs that cover pre- and post-impact, although greater support for risk-reduction activities in both is required. While the emphasis of the DEAP remains sound, lessons from responding to major disasters has highlighted a need to also address the immediate needs of ADB client countries when a disaster hits. Several choices, or combinations, can be pursued to provide greater assistance to DMCs. These range from modifying current modes to developing new ones. The tasks required to accomplish this can be undertaken in steps through three components that are differentiated based on the task set, time, and/or resources (Appendix 1).

1. Component A: Implementing the Disaster and Emergency Assistance Policy, and Developing Internal Capacity

a. Risk Assessment and Country Programming

8. To satisfy the objectives of ADB and its DMCs, the following are necessary: (i) identify risks during the ADB's country programming schedules; (ii) build disaster management and hazard management capacity at the country level; and (iii) take disaster risk into account when developing a country program and/or designing individual projects. A practical way to accomplish this is to make DRM a permanent component of the risk identification section of relevant ADB documents. While the revised 2007 CPS⁴ stipulates that a disaster vulnerability assessment should be undertaken during CPS preparation, this is not being systematically undertaken. As part of its routine comments on CPS documents, RSDD also could review the disaster risk analysis tools that the regional departments apply. For countries with medium to high natural hazard vulnerability, disaster-related and regular lending for infrastructure, TA, and institutional development should include DRM aspects. Any project financed by ADB should incorporate disaster-resilient design considerations. For highly vulnerable, disaster-prone countries, ADB should emphasize DRM, and in particular highlight disaster preparedness and hazard-mitigation issues in its CPS document. Evaluating the vulnerability of ADB projects in high-risk DMCs also can be systematized. In particular, ADB should create sufficient measures to avoid rebuilding vulnerability, especially in infrastructure projects in high-risk areas. Information in Appendix 2 can assist these activities.

9. Regional departments, which are responsible for DEAP implementation, are the key to making DRR part of the normal business of sustainable development. To carry out the DEAP requirements, a regional department disaster focal point (RDDFP) should be designated. Proposed task sets for the position are in Appendix 3, with the following primary functions: (i) inject operational insights into DRR policy initiatives, (ii) be the regional department's in-house reference point, and (iii) serve as the contact point for the DEAP anchor. The RDDFP also will be the in-house contact point for the resident mission disaster focal point (RMDFP) for disaster operational matters. These positions also can foster regional cooperation and integration by highlighting ADB's investments in DRR.

10. To carry out the DEAP at resident missions, an RMDFP is required. The primary objectives of the RMDFP correspond to those of the RDDFP. The proposed task sets, which will be harmonized with relevant partners, also are in Appendix 3. Focal point assignments will be done within the current staffing allocated to regional departments and resident missions through reprioritization and trading off of activities, as well as the redistribution of assignments across staff within a department and/or resident mission. The roles and responsibilities of the focal points can be addressed by integrating the functions into the annual work plans of the designated focal points, as the degree and scope of responsibilities will be dynamic and will vary across countries. Based on information provided by IADB, which has DRM focal points in 26 field offices, 5–40% of a focal point person's time would be spent on DRM-related activities. All resident missions cannot be expected to undertake this at the same time; a phased approach should be employed with high-risk DMCs engaged first. Where special units within ADB exist, such as the secretariat for the Central Asia Regional Economic Cooperation (or CAREC), the DEAP action plan needs to be taken into account.

⁴ ADB. 2007. *Country Partnership Strategy Guidelines*. Manila.

b. Staff Training

11. Training programs will be initiated for key groups in regional departments and resident missions, including DRM focal points, country programming teams, and sector specialists. Specific programs with accompanying tools and guidelines will include (i) identifying risks to country programming and strategies from natural hazards; (ii) managing disaster risk to the effectiveness of ADB projects, preparation, and execution; (iii) incorporating DRM into development programs and projects; (iv) undertaking risk, capacity (institutional), and vulnerability assessments (including gender vulnerability); and (v) training for quick disaster impact evaluation, damage, and needs assessment (DNA). A significant limiting factor in responding to a disaster is the institutional capacity of an impacted government to manage disaster response and recovery. This aspect typically is left out of conventional DNAs. ADB has undertaken joint DNAs with the World Bank,⁵ as well as with UNDP. However, ADB has no regular training program on this subject. ADB is exploring developing a joint program on this topic. Discussions have begun with ADB's Learning and Development Unit about new programs to support DRM and DRR endeavors. Some resources for training will be available through the general envelope for learning and development managed by the Human Resources Division (BPHR). RSDD, with assistance of BPHR, also will conduct a training needs assessment to help determine staff development requirements.

c. Establishing an Informal Network

12. Establishment of an informal network on DRM within ADB will enable the organization to more systematically utilize, channel, and institutionalize the knowledge and experiences of its staff by providing a vehicle for sharing and disseminating information. An informal network can be used to gather, evaluate, and promulgate knowledge. Members could form a pool to be called upon to support regional departments and missions when disasters or conflicts require additional specialized human resources.

d. Hazard Profiles of DMCs

13. All 45 DMCs are at risk from natural hazard. However, ranking them in terms of the magnitude of the risk is not easy. For example, World Bank⁶ has identified disaster hot spots⁷ around the world, but uses only a 20-year database of deaths and economic losses from disasters.⁸ Where hazards such as typhoons occur frequently—perhaps several per year—20 years provides a reasonable record. However, because earthquakes occur along fault line that may have repeat intervals of 100 years or more, and the hot spot map only tells us where events have occurred recently, a hot spot map identifies only partial seismic risk. The hot spots approach to determining catastrophic risk has a reactive element determined by historical data, as well as a proactive element that focuses on potential risk. A systematic evaluation of the hazardousness of all 45 DMCs would give ADB a base for assessment that is more objective than data ADB collects based on assistance it provides to affected DMCs, or “headline”

⁵ The joint Damage and Needs Assessment is based on the work of the Economic Commission for Latin America and the Caribbean and World Bank. 2003. *Handbook for Estimating the Socio-Economic and Environmental Effects of Disaster*. Mexico City and Washington DC.

⁶ World Bank. 2005. *Natural Disaster Hotspots. A Global Risk Analysis*. Washington, DC.

⁷ A “hot spot” is defined as “a specific area or region that may be at relatively high risk of adverse impacts from one or more natural hazard events”. For reference see footnote above.

⁸ In reality, little can be done about this, as data on deaths and the economic costs of disasters of reasonable quality are rarely available for longer periods. A simulation methodology could overcome this problem to some extent.

disasters that capture the attention of the world's media. An empirical review of all hazards will direct attention to future impacts and will be more useful for investment decision making. ADB will identify DMCs according to the current understanding of their exposure to natural hazards, based on available indicators and ADB experience.⁹ For countries that are highly exposed, ADB will identify potential vulnerability (including who is vulnerable) as a major development challenge, and will propose a country-level disaster risk assessment.¹⁰

14. For countries that are particularly vulnerable to climate change, adaptation plans will be integrated into a broader DRR approach. Long-term planning to reduce disaster risk needs to consider more than future climatic scenarios. It also must consider future social scenarios influenced by direct loss and indirect impacts of climate change felt through movements of people, changing disease patterns, and economic systems. When the assessments find that potentially important disruptions in the country's social and economic development could be caused by disasters resulting from natural hazards, ADB will encourage the inclusion of DRM activities in the CPS negotiated with the DMC. These activities might include policy reforms, specific institutional strengthening measures, and investment projects conducive to reducing vulnerability at the national, regional, and local levels. Working through country HFA frameworks is one way to align the DRM activities of ADB with those of respective DMCs, as well as to encourage stakeholder buy-in.

2. Component B: Strengthening the DEAP

15. Three other short- to medium-term activities also need to be pursued.

a. Changes to Disaster and Emergency Assistance Operations Manual

16. The *Operations Manual* (Section D7/BP) needs some minor adjustments. These adjustments include (i) adopting the nomenclature of the UN-ISDR to bring ADB in line with international practice, (ii) clarifying section 26 of the manual as it pertains to serial hazard impacts, and (iii) extending the time frame for completion of EALs when DRR options are introduced into rehabilitation projects.

17. Other modifications to the manual can be considered when a full review of the policy is undertaken at a later date. These could include a reconsideration of the 2-year period (plus a 2-year extension) for EALs. Since available information shows that disaster rehabilitation is just as long a task as is development,¹¹ it makes little sense to truncate the time. A realistic alternative to the limited EAL disbursement time frame is to institutionalize the approach ADB adopted after the Indian Ocean tsunami with the Asian Tsunami Fund (ATF). The ATF allowed 18 months for requests to be made, 24 months for disbursements to start, and 5 years for full disbursement. To overcome the problem of long-term risk-reduction projects being excluded, which research has found occurs often,¹² a specific condition could be added to *Operations Manual* (section

⁹ This is not a straightforward exercise because relevant information in most, if not all, DMCs is incomplete, outdated, and often disputed.

¹⁰ This could be done in conjunction with other development partners.

¹¹ ADB. 2005. *Asian Tsunami Crisis: Lessons for the International Community*. ASEAN Roundtable 2005. The Asian Tsunami: implications on Regional Development and Security. 17–18 November 2005. Institute of Southeast Asian Studies. Singapore.

¹² See, for example, World Bank. 2006. *Hazards of Nature, Risks to Development: An IEG Evaluation of World Bank Assistance for Natural Disasters*. Independent Evaluation Group. Washington DC.

D7/BP) enabling the financing of long-term hazard-mitigation initiatives. Finally, when EALs are used to restore disaster-damaged critical infrastructure, a provision could be made to determine whether relocating to a less hazardous site is warranted, and whether the design and building quality complies with building code standards for essential infrastructure. Further, while acknowledging that EALS cannot remedy deferred maintenance,¹³ a provision could be considered to support maintenance aspects for an agreed minimum period after reinstatement completion.

b. Partnerships

18. The DEAP acknowledges the importance of public-private-civil society partnerships, as well as the roles of bilateral and multilateral agencies, and prioritizes coordinating with other agencies to obtain the best resource mobilization and complementarity (see footnote 1). Relationships with regional and global DRM and DRR organizations have tended to be ad hoc, and ADB generally has lost some ground in keeping up with disaster-related issues. The ADB Charter imposes constraints on some opportunities for partnerships. Nevertheless, ADB will take a more proactive partnership role in regional DRM and DRR by deepening its commitment to core regional and global activities where it sees appropriate opportunities, and generally will monitor activities pertaining to DRM and DRR.

19. Some of the key regional organizations that could benefit from maintaining close links with ADB are (i) ADPC (Bangkok, Thailand),¹⁴ (ii) UNDP regional center (Bangkok, Thailand),¹⁵ and (iii) and the Asian Disaster Reduction Center (Kobe, Japan).¹⁶ ADB also should be mindful of the regional associations that are developing DRM and DRR programs for their member countries, and which have the potential to become a significant influence, and in particular the recently-formed ISDR Asia Partnership that at the request of several regional agencies was requested to take a lead in DRR in Asia and the Pacific. Other regional organizations that ADB should keep abreast of include the UN/ISDR Bangkok regional center, and the UN–Government of Japan international recovery platform (Kobe). Since Bangkok and Kobe form regional hubs for DRM and DRR, ADB is recommended to participate in the annual meetings at these locations, including the Asian Disaster Reduction Center's annual Asian Disaster Reduction Conference. Working with these networks can create opportunities for TA support, particularly to regional organizations.

20. Globally, ADB should reinforce ties with the ProVention Consortium¹⁷ in particular. ProVention holds an annual forum that provides an opportunity for key players in the international DRM and DRR community to come together to discuss issues affecting the DRM community, share knowledge, and debate current issues and trends. In addition, ProVention has several working groups tasked to develop tools and guidelines for application in developing countries. ADB would benefit from being part of this. ADB also should participate in

¹³ ADB. 2007. *Kyrgyz Republic: Flood Emergency Rehabilitation Project*. Manila (project number 32415, loan number 1633). Operations Evaluation Department.

¹⁴ ADB is a member of ADPC's International Advisory Council.

¹⁵ ADB has a memorandum of understanding with UNDP that identifies post-conflict and disaster management as two areas for cooperation implementation.

¹⁶ The Government of Japan established the center in 1998, following the 1995 earthquake in Kobe, to promote multinational disaster reduction cooperation in Asia. One of its roles is to facilitate the exchange of disaster reduction experts between country members and specialist DRM and DRR organizations.

¹⁷ ProVention is a global coalition of governments, international organizations, academic institutions, the private sector, and civil society dedicated to reducing disaster vulnerability of communities in developing countries. World Bank launched the consortium in 2000 and hosted the secretariat until 2003, when it was transferred to the International Federation of Red Cross and Red Crescent Societies in Geneva.

ProVention's annual forum. Attendance at the forum also permits ADB to participate in an informal MDB DRM and DRR network, established after the 2006 meeting in Bangkok, that focuses on issues specific to MDBs.

21. In addition to the ProVention focus, ADB will consolidate relationships with other MDBs. ADB will continue to find opportunities to work with IADB and World Bank in particular on DRM and DRR projects of mutual benefit. For example, ADB will work with IADB on the development of staff training and development material, and will explore approaches to cooperate with World Bank through the GFDRR.

22. Since 2005 (following the 2004 Indian Ocean tsunami and the 2005 World Conference on Disaster Reduction), the number of DRM and DRR programs conducted by development agencies within DMCs, or by regional associations in parts of Asia and the Pacific, has risen considerably. However, as is increasingly recognized, the lack of an overarching coordination mechanism is resulting in missed opportunities and duplicated efforts. In particular, an overview of DRM and DRR programs is not being carried out or planned. These issues have been raised on several occasions, including at a July 2007 workshop at ADB headquarters on preparing for large-scale emergencies. To provide some clarity, a regional technical assistance (RETA) project on DRR, which is to be processed in 2008, should take stock of current and planned DRM and DRR programs in all DMCs in the region. This will be undertaken as a regional public good activity. The findings will be disseminated to all development partners and regional associations with the expectation that the information will assist closer coordination of programs, assist the transfer of information, and help the development of national and regional capacity building.

c. Regional Disaster Response Fund

23. The question of whether or not ADB should establish a special general-purpose disaster response fund was originally discussed during DEAP preparation and is regularly revisited. The objective of such a fund could be to (i) provide a quickly disbursing grant to help DMCs meet immediate expenses to restore lifesaving services to affected populations following a declared national disaster, and to augment aid provided by other donors in times of national crisis (such as for the purchase of water purification and sanitation systems, site clearance, bulk purchase of aviation gas);¹⁸ and/or (ii) to assist the immediate re-establishment of livelihoods so as to help reduce the disaster's impact on the most vulnerable groups (for example, by providing seeds or livestock to rural farmers, or capital to re-stock small enterprises). A quickly disbursing fund could overcome many immediate and internationally acknowledged post-impact difficulties. Moreover, since response assistance needs to run in parallel with recovery and rehabilitation activities, such a fund would bridge the gap between existing ADB arrangements that help DMCs to reduce disaster risk through hazard-mitigation loans and longer-term reconstruction lending (Table 1). The World Bank, Inter-American Development Bank and the African Development Bank have policies governing the provision of immediate disaster relief to Member Countries and modalities that augment aid provided by other donors in times of national crises.

¹⁸ Under the UN "cluster lead" system, agencies have been identified to coordinate areas of activity that experience has shown are needed in major disasters. However, the purchase of equipment necessary for their successful operation depends on donor assistance and takes time to mobilize.

Table 1: Temporal Distribution of Potential ADB Disaster-Relevant Assistance

Before Disaster	During	After Disaster
<ul style="list-style-type: none"> • Regular loans • Technical assistance • Regional technical assistance 	<ul style="list-style-type: none"> • Regional disaster fund 	<ul style="list-style-type: none"> • Portfolio restructuring • Emergency assistance loan • Loans savings • Special purpose funds on case-by-case basis • Technical assistance • Regular loans

^a To ensure that ADB's future lending operations remain unaffected (without any capital increase), the EAL and emergency grants will be based on portfolio restructuring. Source: ADB staff

24. The motivation for a fund of this type is recognition (i) of the urgent need for basic resources immediately following disaster; (ii) that disasters have a greater impact on the existing poor and other vulnerable groups such as women and children; and (iii) that the ongoing practice of donor governments and aid agencies of funding disaster relief and rehabilitation assistance by reallocating resources from development programs could adversely affect development outcomes. If such urgency is not justified—either because the nature of the disaster does not require an immediate response from ADB, or because the affected DMC has sufficient resources to cover the unforeseen expenses—ADB's other disaster assistance instruments should be used. The Action Plan includes evaluating the rationale for establishing a regional disaster response fund, and exploring potential funding options. The initial step will involve preparing a concept paper to share with potential funding partners.

3. Component C: Looking Forward

25. The objectives of the DEAP are at the heart of the World Bank-UN/ISDR GFDRR initiative (Appendix 4). GFDRR has drawn a number of ADB's non-DMC shareholders to it.¹⁹ Track 2 provisions permit non-core funds to be spent in accordance with specific designations by a partner relating to themes, activities, countries, or regions, thereby allowing partner flexibility. For 2007–2009, 14 DMCs have been identified for track 2 support.²⁰ ADB would enjoy no competitive advantage in creating a separate stand-alone approach that encompasses the same areas and aims to achieve the same goals as GFDRR, especially since the latter has attracted many major regional, bilateral, and international agencies. However, it might be appropriate for ADB to identify ways to assist DMCs and provide leveraging opportunities to this program, while strengthening ADB's harmonization actions. Therefore, ADB will explore ways to cooperate with GFDRR in programs that operate in its DMCs.

26. The DEAP also points out the important role of CSOs in emergency preparedness and crisis response. Their flexibility, potential to link government and corporate efforts, the ease with which they work with vulnerable communities, and their ability to focus and direct attention to areas such as gender and disasters make them a valuable DRM actor. However, the role of CSOs in the DEAP is mainly as an information provider and general consultant. This is often unsatisfactory to CSOs,²¹ and probably denies ADB the full benefits of this association. ADB should think more about how to provide greater support to CSOs engaged in DRR. One

¹⁹ Committed donors are Australia, Canada, Denmark, Japan, Spain, Sweden, Switzerland, United Kingdom, and World Bank.

²⁰ The DMCs and proposed dates are: Bangladesh (2009), Bhutan (2009), Cambodia (2009), Fiji Islands (2009), India (2008), Indonesia (2008), Kiribati (2009), Kyrgyz Republic (2009), Maldives (2008), Marshall Islands (2009), Nepal (2007), Papua New Guinea (2008), Philippines (2008), Solomon Islands (2008), Viet Nam (2008).

²¹ ADB. 2007. *Past and Potential Engagement of ADB with Civil Society Organizations in Disaster Mitigation and Preparedness*. NGO and Civil Society Center – RSDD Consultant Report. Manila.

possibility is to commission a CSO to conduct research and produce publications on key and emerging aspects of disaster mitigation and preparedness, and to identify areas where CSOs have a comparative implementation advantage. These might include meta-studies on best CSO practice in DRM and DRR initiatives. Such an activity would stimulate the volume of information available, which is currently inadequate. A second possibility is to support CSO capacity building programs that improve knowledge management and DRR.

27. A fully effective DRM structure at any level (local, national, regional) is impossible if the private sector is not involved as a fully engaged collaborator. Through its capacity to provide public and private sector operations in a complementary way, ADB plays an important role in facilitating private sector development to support sustainable economic growth and poverty reduction. This enables ADB to work with governments to increase opportunities for private sector involvement in the economy in an integrated manner. Within the DRM context, and in association with other disaster rehabilitation and reconstruction efforts, ADB could consider encouraging the private sector to establish facilities in disaster-impacted locations. Supporting the development of businesses in disaster-impacted areas would generate employment and possibly attract new investors. Part of this package would be ADB assistance in the location and construction of new facilities to ensure that appropriate risk-reduction measures are incorporated. Such actions would highlight ADB's commitment to corporate social responsibility. For the private sector to be effective in a DMC, however, national governments (representing the public sector) and the private sector must engage in purposeful discussions to explore mandates, potentials, and constraints of public-private partnerships. ADB could be a useful interlocutor and could consider holding public-private partnership workshops in selected DMCs.

28. ADB recently investigated whether catastrophe risk insurance would be a viable component for DRM and DRR. A RETA project²² suggested ADB further explore sponsoring a multiple-hazard, catastrophe-linked transaction program affecting selected large urban areas. The RETA project also recommended that ADB consider hosting a small workshop on the concept of an Asian insurance pool. This latter component is currently being explored with Government of Japan officials. In addition, the Pacific Regional Department (PAR) is exploring the viability of a risk transfer mechanism for the Pacific, and has expressed interest in cooperating with the World Bank which is also exploring catastrophe insurance in the Pacific (the World Bank received funding from the GFDRR Trust Fund to undertake preparatory studies for a Pacific Catastrophe Risk Pool Initiative, and in November 2007 called for expressions of interest to commence the work).

B. Initial Implementation Activities

29. The action plan has been developed taking into consideration ADB's existing staff, staff consulting and travel budget allocations. In addition, the BPHR training budget will support development of training programs. Staff time will be used in attending training programs and participating in the DRM network. It is envisaged that these allocations will be incorporated into individual staff learning and development programs.

²² ADB. 2007. *Development of Catastrophe Risk Insurance Mechanisms*. Manila (RETA 6284, July 2007).

III. CONCLUSIONS

30. No major changes are required to the DEAP. 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, although the modest adjustments recommended in this report could enhance the policy. Hence, this action plan focuses on developing approaches that will further embed DRM and DRR within ADB's operational practices.

ADB IMPLEMENTATION MATRIX

Component A: Implementing the DEAP – Developing ADB internal capacity (Short-term – within 24 months; low additional resource requirements)	<i>Account- ability</i>	<i>Resource \$</i>	<i>Deadline</i>
<ul style="list-style-type: none"> Designate a <u>regional department disaster focal point</u> (RDDFP) to each regional department Designate a <u>resident mission disaster focal point</u> (RMDFP) for high-risk DMCs^a based on previous ADB disaster assistance. <u>Develop and deliver training programs</u>: (1) undertake a training needs assessment; (2) deliver joint programs for (a) country programming teams, (b) sector specialists, and (c) DRM focal points; and (3) develop and deliver programs for RM and RD teams, including (a) pre-impact risk assessment, (b) pre-impact community and gender vulnerability assessment, (c) post-impact damage and needs assessment, and (d) post-impact institutional capability assessment. <u>Develop tools and guidelines</u> for RDs and RMs: (1) CPS-initiating papers, (2) risk assessments, (3) capacity assessments, (4) vulnerability assessments, (5) damage and needs assessment, (6) post-impact institutional capability assessment. Establish an <u>informal DRM and DRR network</u> within ADB. Coordinate with <u>WPC anchor person</u> and WPC committee. Develop <u>hazard profiles</u> of DMCs. Explore links with DRR and <u>support to climate change adaptation</u>. 	RDs	— ^b	April 08
	RDs	—	April 08
	RSCG & BPHR	BPHR \$100,000 ^c	End of 08
	RSCG	Staff Con \$100,000 ^d	End of 09
	RSCG. RSCG RSCG RSES & RSCG	— — \$40,000 ^e —	June 08 ongoing April08 ongoing
Component B: Strengthening the DEAP (Short-Medium term – up to 48 months. Medium additional resource requirements)	<i>Account- ability</i>	<i>Resource \$</i>	<i>Deadline</i>
<ul style="list-style-type: none"> <u>Changes to Operations Manual</u>: (1) adopt UN-ISDR nomenclature, (2) clarify S.26 (ii) and (iii) with respect to serial hazards, (3) extend time frame to allow for DRR activities under S.27 and S.33. Assess need, feasibility and funding options to address needs of DMCs when disaster strikes through a <u>regional disaster risk reduction and response fund</u>. <u>Partnerships</u>: develop a systematic approach to working with key regional and global organizations. 	RSCG		April 08
	OCO & RSCG RSCG	TBD \$15,000 per year	April 08 ongoing
Component C: Looking Forward (Medium-term – 24–60 months High additional resource requirements)	<i>Account- ability</i>	<i>Resource \$</i>	<i>Deadline</i>
<ul style="list-style-type: none"> Develop parallel programs and/or financing with World Bank/-UN/ISDR GFDRR. Explore strategies for DRR cooperation with <u>CSOs and private sector</u>. Explore further the potential for facilitating a regional catastrophe risk insurance mechanism. 	OCO	TBD	TBD
	RSCG	TBD	TBD
	TBD	TBD	TBD

ADB = Asian Development Bank, BPHR = Human Resources Division, CPS = country partnership strategy, CSO = civil society organization, DRM = disaster risk management, GFDRR = Global facility for Disaster Reduction and Recovery, OCO = Office of Cofinancing Operations, RD = regional department, RDDFP = Regional Department disaster focal point, RM = resident mission, RMDFP = Resident Mission disaster focal point, RSCG = Capacity Development and Governance Division, RSES = Environment and Social Safeguard Division, UN/ISDR = UN International Strategy for Disaster Reduction, TBD = to be determined, — no data available.

^a Ten countries have received 98% of ADB's disaster assistance. They are, in decreasing order of assistance provided: Pakistan, People's Republic of China, Bangladesh, India, Indonesia, Sri Lanka, Afghanistan, Philippines, Viet Nam, and Cambodia.

^b Both focal points will be integrated into annual work plans of the designated staff member.

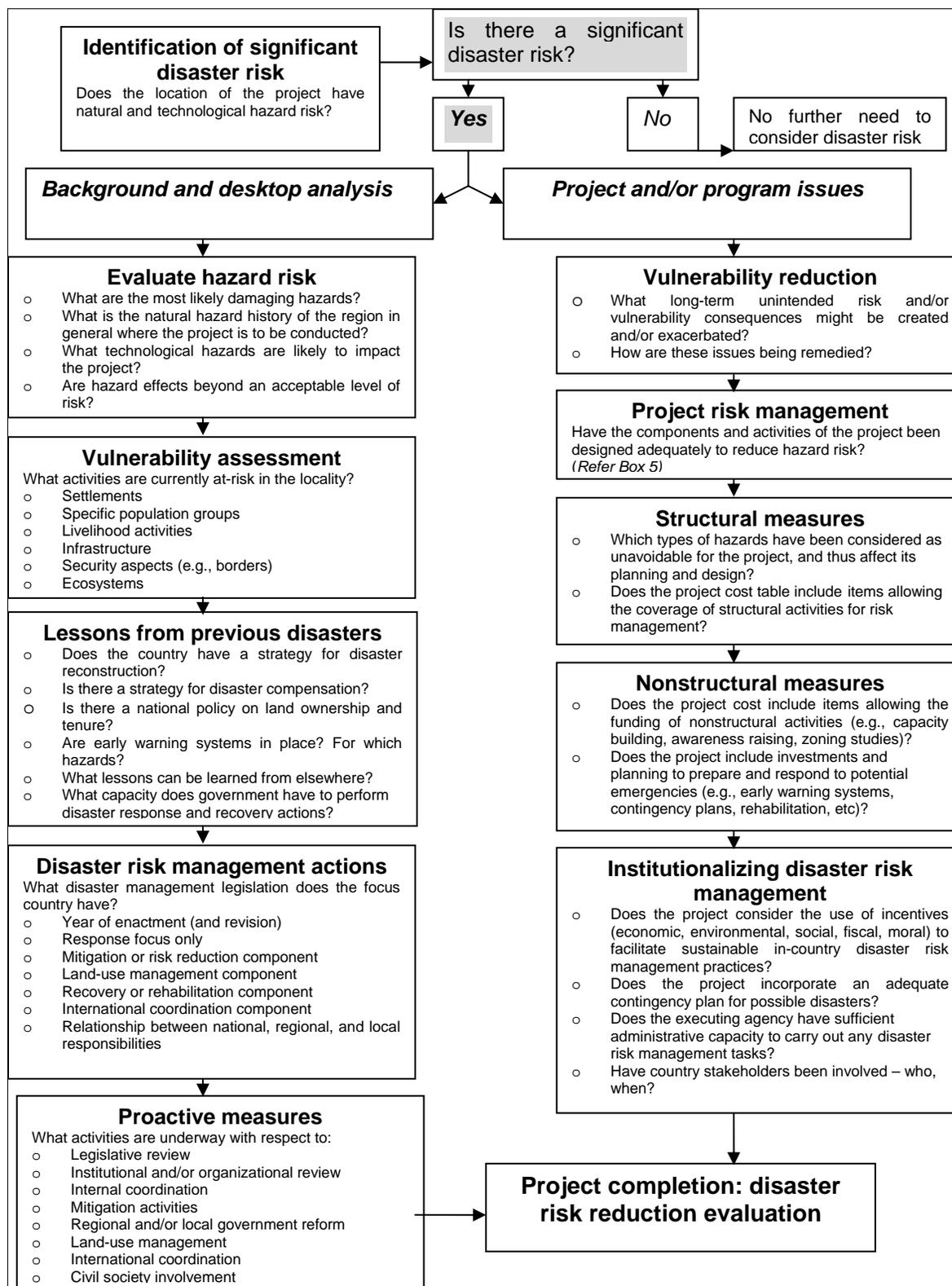
^c Program assumes (i) ADB uses some modules developed by other MDBs, (ii) development of three additional modules at \$30,000 per module, and (iii) BPHR will conduct a training needs analysis before module development.

^d 5 months for international staff consultant (level 5), including associated costs, plus estimate for printing costs.

^e 2 months for international staff consultant (level 5), including associated costs.

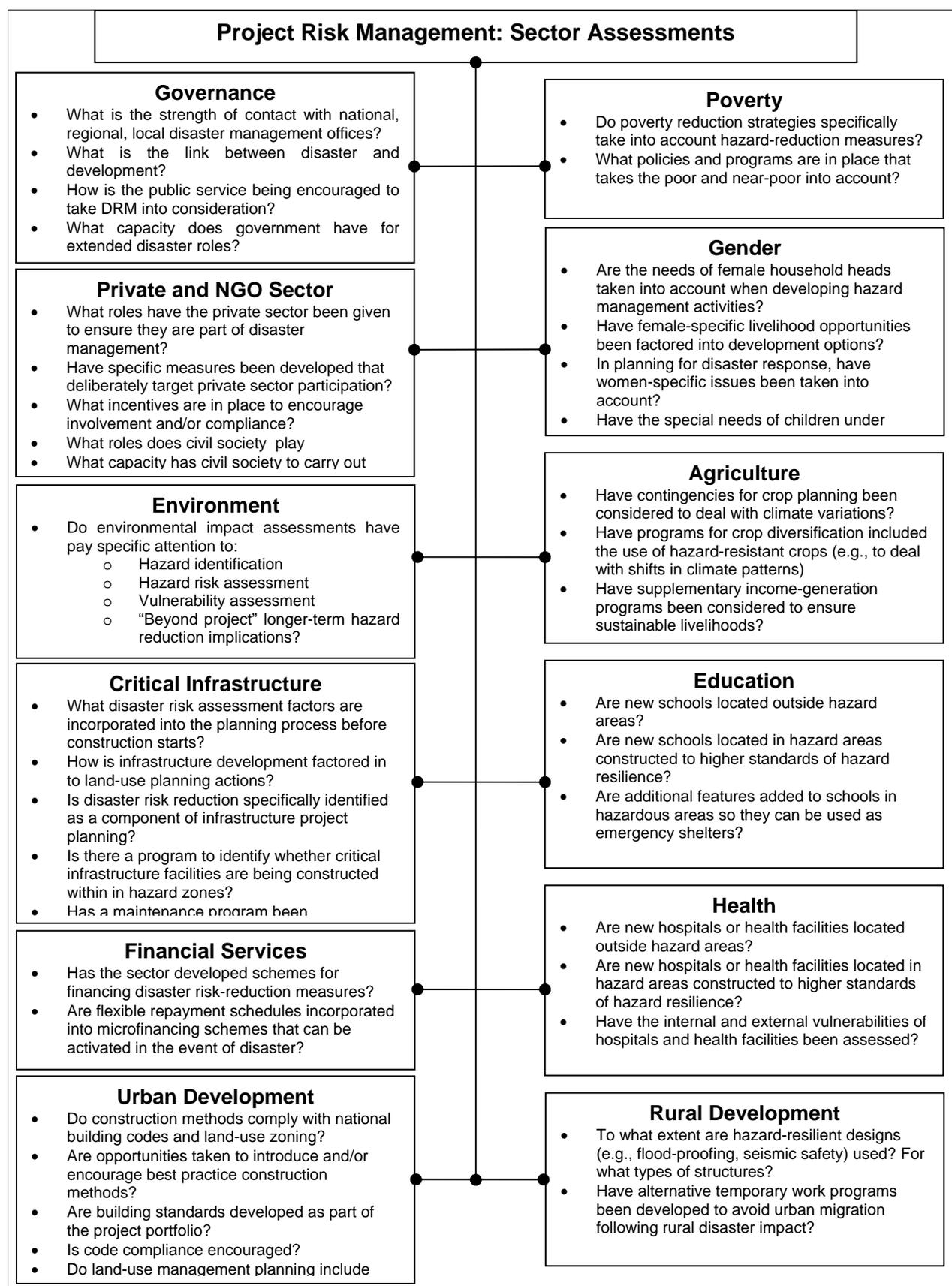
CHECKLISTS FOR IMPLEMENTING DISASTER RISK REDUCTION

Figure A2.1: Checklists for Implementing Disaster Risk Reduction



Source: ADB Staff

Figure A2.2: Project Risk Management: Sector Assessments



Source: ADB Staff

PROSPECTIVE ROLES OF DISASTER FOCAL POINTS

Regional Department Disaster Focal Point (RDDFP)	Resident Mission Disaster Focal Point (RMDFP)
<p><u>DRM general activities</u></p> <ul style="list-style-type: none"> (i) Be department focal point to regional department director general (ii) Be department focal point for DEAP anchor (iii) Be member of an informal DRM network (iv) Provide advice on working relations with civil society and the private sector (v) Provide advice on operational implications of relevant policy initiatives (vi) Provide advice for prioritizing DMCs according to level of disaster risk (vii) Provide advice and participate in disaster-relevant training programs (viii) Provide advice on guides and manuals <p><u>DRR activities</u></p> <ul style="list-style-type: none"> (i) Provide operational advice to resident mission disaster focal point (RMDFP) (ii) Provide advice on CPS hazardscape analysis and vulnerability assessment (iii) Provide advice on incentives for DMCs to carry out DRM (iv) Provide input into DRR sound practices and encourage implementation (v) Provide input and advice on ADB project vulnerabilities in relation to the hazardousness of the DMC <p><u>Response-related activities</u></p> <ul style="list-style-type: none"> (i) Provide advice and participate in national and/or regional quick-response teams (ii) Provide advice and participate in disaster impact damage, needs, and capacity assessments 	<p><u>DRM general activities</u></p> <ul style="list-style-type: none"> (i) Be resident mission focal point to regional department director general through RDDFP (ii) Be the principal liaison to the host government's national disaster focal point (iii) Be member of an informal DRM network (iv) Develop an MOU with DMC national disaster focal point on what ADB's DRM role should be in all phases (and especially to develop a post-impact protocol) (v) Identify prospective in-country DRM partners, establish and maintain working relationships (vi) Harmonize the DRM strategy with in-country DRM and DRR partners (vii) Collect relevant data and feed into ADB focal point (viii) Develop working relations with civil society and the private sector (ix) Provide advice for prioritizing DMCs according to level of disaster risk (x) Provide advice on and participate in disaster-relevant training programs (xi) Provide advice on incentives for DMCs to carry out DRM (xii) Provide advice on guides and manuals (xiii) Guide consultants in guideline application <p><u>DRR activities</u></p> <ul style="list-style-type: none"> (i) Provide advice on CPS hazardscape analysis and vulnerability assessment (ii) Integrate risk identification, risk assessment, vulnerability assessments, and capacity assessments into CPS (iii) Identify DRR sound practices and encourage and assist implementation (iv) Provide input and advice on ADB project vulnerabilities in relation to the hazardousness of the DMC <p><u>Response-related activities</u></p> <ul style="list-style-type: none"> (i) Be resident mission focal point to ADB headquarters anchor for emergency assistance (ii) Be a member of DMC quick-response team (iii) Undertake disaster impact damage, needs, and capacity assessments) (iv) Provide advice on operational implications of relevant policy initiatives (v) Provide operational advice to RDDFP

ADB = Asian development Bank, CPS = country partnership strategy, DEAP = Disaster and Emergency Assistance Policy, DMC = Developing Member Country, DRM = disaster risk management, DRR = disaster risk reduction, MOU = memorandum of understanding, RDDFP = Regional Department disaster focal point, RMDFP = Resident Mission disaster focal point.

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.

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).

- (ii) **Results Management Council.** Members were the World Bank director; director ISDR Secretariat; five representatives from stakeholders; and five prominent 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.