

INTER-AGENCY TASK FORCE
ON FINANCING FOR DEVELOPMENT

Issue Brief Series

Disaster Risk and Environmental Resilience

World Bank Group
Global Facility for Disaster Reduction and Recovery (GFDRR)

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1. Introduction

Building disaster resilience is a cross-cutting issue and, as such, is addressed across the Addis Ababa Action Agenda including on: (i) the delivery of social protection and essential public services for all; (ii) scaling up efforts to end hunger and malnutrition; (iii) closing the infrastructure gap including establishing the Global Infrastructure Forum; (iv) promoting inclusive and sustainable industrialization; (v) generating full and productive employment and decent work for all; (vi) protecting ecosystems; and (vii) promoting peaceful and inclusive societies. This Brief therefore, focuses on the contributions of the disaster risk management community within the World Bank Group (WBG), to several commitments outlined in Chapter II.C on International Development Cooperation.

Within Chapter II.C, a large number of World Bank contributions to the Addis agenda can be captured under cluster 8.2, which focuses on Disaster risk and environmental resilience.

2. Stocktaking (The World Bank Group)

8.2 Disaster risk and environmental resilience

- The Addis Action Agenda encourages consideration of climate and disaster resilience in development financing to ensure the sustainability of development results.

Screening Development Operations for climate and disaster risk. At the World Bank Group (WBG), screening requirements are helping to embed resilience into project design. In 2014, the World Bank Group committed to screen all the operations financed by the International Development Association fund (IDA) for climate and disaster risk. A requirement fulfilled by all 255 IDA operations that went to the WB board for approval in FY15* were screened for climate and disaster risk. To facilitate screening of development operations for disaster risk, the WBG, as well as some of its partners, developed innovative tools to screen for risks in agriculture, water, roads, coastal flood protection, energy and health, with a general tool addressing other sectors. WBG partners, such as the Global Facility for Disaster Risk Reduction (GFDRR), have made available additional tools to help screen for disaster risk. For example, in May 2016, GFDRR launched Think Hazard!, which is the first free and open-source online tool that allows users to understand how eight different hazards — earthquake, flood, landslide, wind, storm surge, drought, volcanic eruption, tsunami — might affect a specific geographic area for every country in the world. This tool gives access to the global community to better understand the existing hazard in any area, which can be tremendously instrumental to ensuring risk-informed development.

Development financing contributing to disaster risk management. In FY15*, World Bank financing contributing to disaster risk management reached a total of US\$ 5.7 billion, an increase from US\$ 3.7 billion in 2012. South Asia received the largest flows in FY15, with a total of US\$ 2.1 billion, while demands for investments in Africa continue to stay high. Portfolio growth is driven by increasing demand for technical expertise to address disaster risk across economic sectors, from agriculture, water, energy and transport.

Increasing investments in prevention and preparedness to ensure sustainable development. There has been a growing proportion of World Bank financing for disaster risk management that is going towards supporting ex-ante efforts for disaster risk reduction.. In FY15*, US\$ 4.2 billion, representing nearly 77 percent of all financial flows contributing to DRM, were channeled towards risk reduction efforts in development operations. Furthermore, as of FY15, the World Bank is supporting over 94 countries to mainstream disaster resilience into their development plans.

3. Stocktaking (The GFDRR)

8.2 Disaster risk and environmental resilience

All of GFDRR's resources consider climate and disaster risk. In FY16, GFDRR supported over 75 countries with US\$240 million to understand and reduce existing climate and disaster risk; invest in preventing new risk and building better preparedness systems; manage financial costs from disasters; and enable quick and resilient recovery. Through \$65 million in new grant awards in FY16, GFDRR's resources under implementation grew by about 11 percent from FY15.

5. Other official flows and catalyzing additional resources.

- The Addis Agenda recognizes the important use of international public finance, including ODA, to catalyze additional resource mobilization from other sources, public and private ... [including through] unlocking additional finance through blended or pooled financing and risk mitigation

Mobilizing additional finance. The Global Facility for Disaster Reduction and Recovery (GFDRR) is a global partnership housed in the World Bank. To achieve its mission of mainstreaming disaster risk management into developing country strategies, GFDRR strives to mobilize greater financing from development partners, primarily the World Bank. In FY15*, GFDRR helped enable more than \$3 billion in investments from the World Bank for development operations.

Financing for Climate Adaptation. Building resilience to climate change is a central part of GFDRR's mandate of mainstreaming disaster risk management into development operations and investment strategies. As of February 2016, 52 percent of GFDRR's active grants, which totaled US\$ 144 million, included components relevant to climate resilience, and GFDRR grants

addressing climate resilience were implemented in over 70 countries. Latin America and Caribbean and Sub-Sahara Africa had the largest relative portfolio on climate resilience.

9. Humanitarian finance and peacebuilding

- The Addis Ababa Action Agenda commits to recognizing the need for coherence of development and humanitarian financing.

Engagement at the World Humanitarian Summit. GFDRR played an active role at the World Humanitarian Summit (WHS) to address the humanitarian and development divide, specifically by supporting two high level roundtables on humanitarian financing and on natural disasters and climate change: managing risks and crises differently. Additionally, the Global Preparedness Partnership (GPP) was launched at WHS, which commits to helping countries attain a basic level of readiness by 2020 to respond to future disaster risks, reiterating the message of investing in strengthening recovery systems. In response to a request from the V20 group of 43 climate-vulnerable countries, GFDRR engaged with the United Nations to create a partnership, develop a concept and identify resources to operationalize the GPP.

- The Addis Ababa Action Agenda commits to promoting innovative financing mechanisms to allow countries to better prevent and manage risks and develop mitigation plans.

Adapting financial instruments that respond to disasters, to crisis as well. Crisis responsive safety nets are instrumental in providing vulnerable populations immediate assistance after disasters. GFDRR in collaboration with World Bank has already provided support for this mechanisms in Kenya. Efforts are underway to expand the approach in Uganda, the Sahel region, Pakistan, the Philippines, Madagascar, Mauritania, and several Small Island States (such as Comoros, Jamaica and São Tomé and Príncipe).

12. Capacity building

- The Addis Agenda calls for capacity building of local and national actors in the areas of managing and financing disaster risk

GFDRR provides grant financing, technical assistance, training and knowledge sharing activities to mainstream disaster and climate risk management in policies and strategies. GFDRR funded capacity building activities for DRM for over US\$ 50 million in FY15* with approximately 10 percent being capacity building activities that contributed to financial protection activities.

- The Addis Agenda calls for capacity building for LDCs, LLDCs and SIDS responding to various kinds of shocks including financial crisis, natural disasters, and public health emergencies (68)

Building capacity of governments to manage the risk from disasters. GFDRR's active portfolio as of February 2016, includes grants that aim to increase resilience to natural hazards in 26 LDCs, 19 LLDCs and 10 SIDS. In addition to ex-ante investments that help mitigate the effects of natural hazards, GFDRR facilitates response to natural disasters and related emergencies

through Post Disaster Needs Assessments (PDNA), recovery frameworks, and project preparation for building, infrastructure reconstruction and livelihood restoration. Funding for capacity building activities for resilient recovery—is approximately were over US\$ 15 million for FY15*.

- The Addis Agenda commits to strengthen country capacity for early warning, risk reduction and management of national and global health risks; in particular in LDCs, LLDCs and SIDS, and in conflict affected and post-conflict States

Strengthening efforts to reduce risk and prepare for natural disasters. GFDRR is committed to strengthening country and sub-regional capacities for EWS and risk reduction for natural disasters. In FY15 capacity building investments on Early Warning Systems (EWS) and preparedness were over 8 million US\$, while investments on risk reduction were close to US\$ 14 million.

Support to conflict affected areas. Over the past couple of years, GFDRR has been collaborating with the World Bank teams to adapt the post-disaster needs assessment to post-conflict and “in-conflict” situations. This has been done in Lebanon, Gaza, Ukraine, Syria, Iraq, Yemen and Nigeria.

**** Source: Progress Report on Mainstreaming Disaster Risk Management in World Bank Group Operations, March 2016.***