

**SPEAKERS
BUREAU**

EXTERNAL AFFAIRS, WORLD BANK

***Disaster risk
management
from the
Perspective of a
Multilateral
Financial Institution***

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June 30, 2009



Today's Discussion

- Introduction of the World Bank
- World Bank and Disaster Response and Risk Management
- Example projects
- Lessons learned



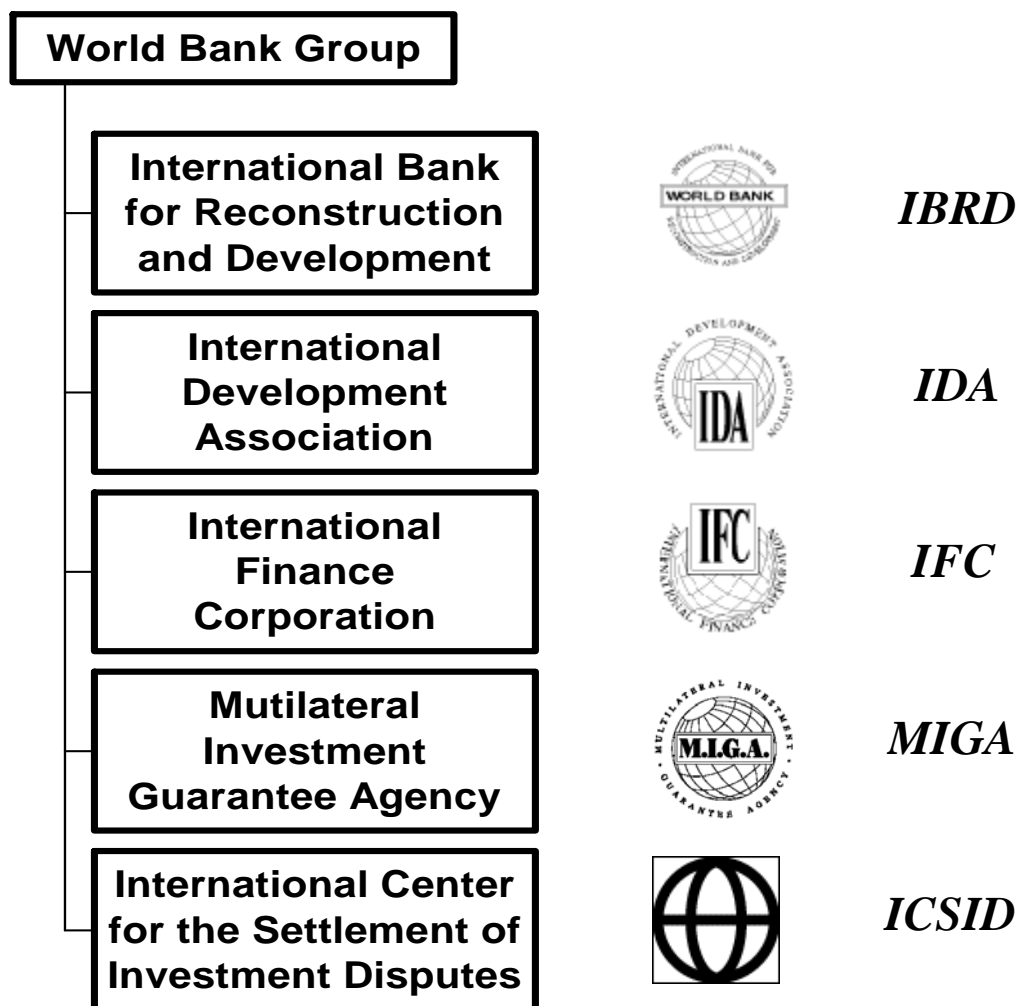
The World Bank

- International Bank for Reconstruction and Development established July 1944, Bretton Woods.
- **Immediate Mission:**
To rebuild Europe and Japan after World War II.





The World Bank Group



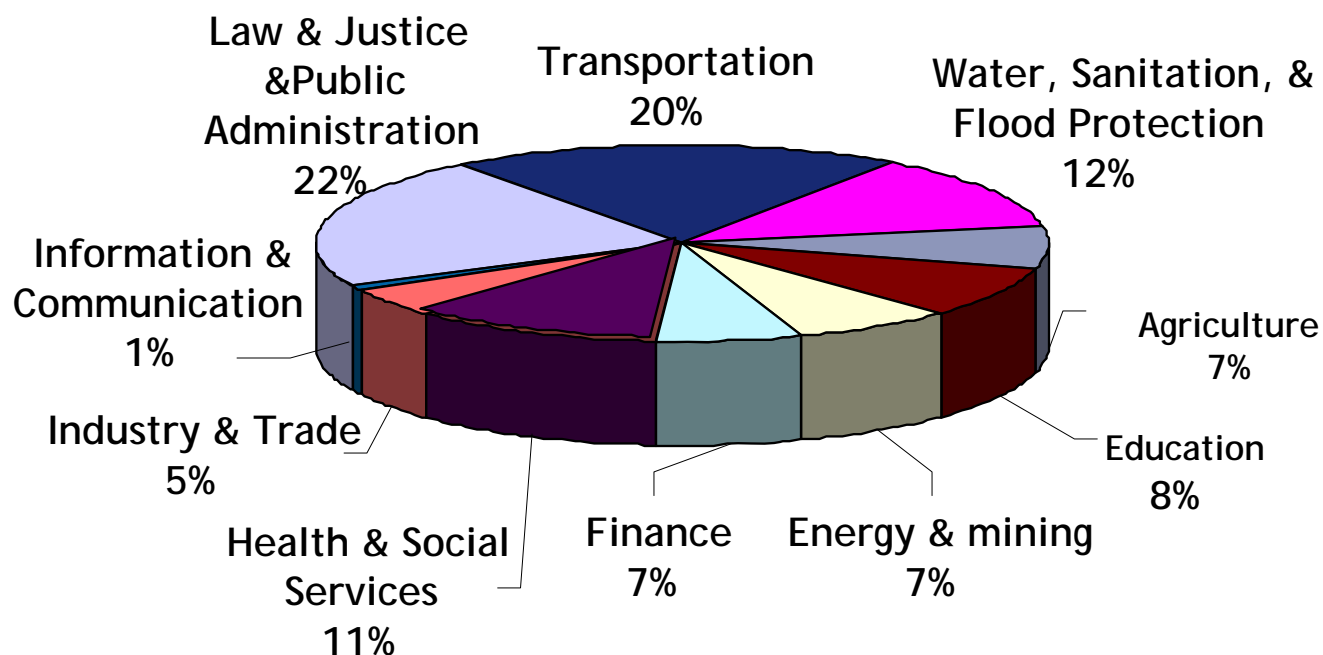


IDA - A Fund for the World's Poorest Countries

- **Established in 1960, currently 78 countries are eligible for IDA resources, which are the world's poorest countries.**
- **Since inception in 1960, IDA credits and grants have totaled \$193 billion.**
- **IDA15 provides \$25 billion over 3 years (FY2009-2011) in project finance.**
- **Africa's share of IDA is about 50%.**



World Bank Lending by Sector



In fiscal year 2007, the World Bank provided **\$23.6 billion** for 279 projects in developing countries worldwide.



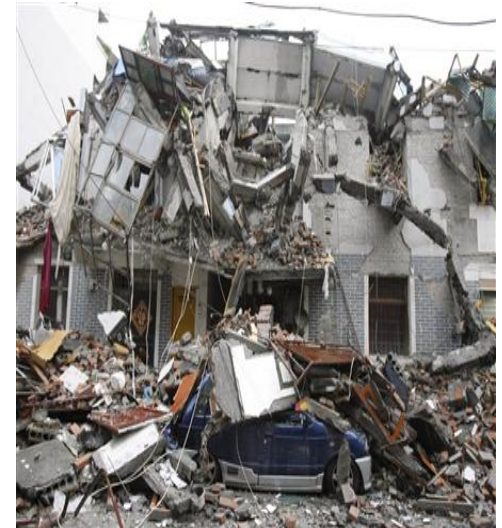
Partners

- The World Bank works with a wide range of partners including:
 - ◆ Bilateral development agencies
 - ◆ Multilateral Banks
 - ◆ United Nations
 - ◆ International Monetary Fund
 - ◆ Private Sector
 - ◆ Civil Society
 - ◆ Parliamentarians
 - ◆ Academic Community and Students





Natural Disasters and the World Bank





**“Nature creates hazards,
but the actions of people,
societies, and governments
create disasters.”**

**- 2006, The World Bank,
Independent Evaluation Group**



Natural disasters are a major risk for the poor

- ✓ Prevalence of death due to disaster is 4 times higher in low-income countries
- ✓ Disasters are an important dimension of poverty -- per World Development Report 2000/2001
- ✓ With similar patterns of disasters, Peru fatalities average 2,900 a year and Japan averages 63



Disasters offset development gains in developing countries

- ✓ Annual GDP losses = 2-15%
- ✓ Average annual losses due to disasters during 1990s = US\$63 billion
- ✓ **Annual losses of infrastructure** during the 1990s due to disasters in Asia alone were about **\$12 billion** – about 2/3 total annual lending of the World Bank



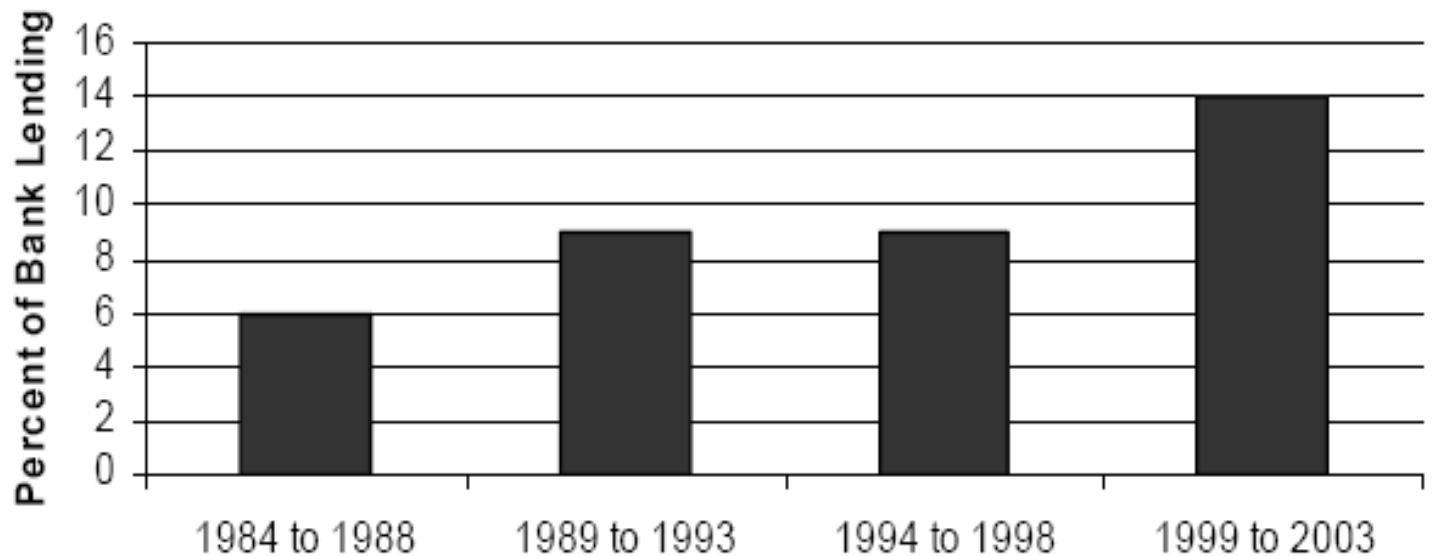
The World Bank's Disaster Risk Management efforts aim to:

- ✓ Provide a systematic treatment of Disaster Risk Management at policy and operational levels
- ✓ Provide a framework for:
 1. Making hazard risk a standard feature of relevant country strategies.
 2. Assisting clients to develop proactive, national strategies.
 3. Developing lending programs that build capacity for effective risk reduction
 4. Mainstreaming issues into project development
 5. Introducing more effective financing and risk transfer mechanisms



World Bank financing for disaster-related operations

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



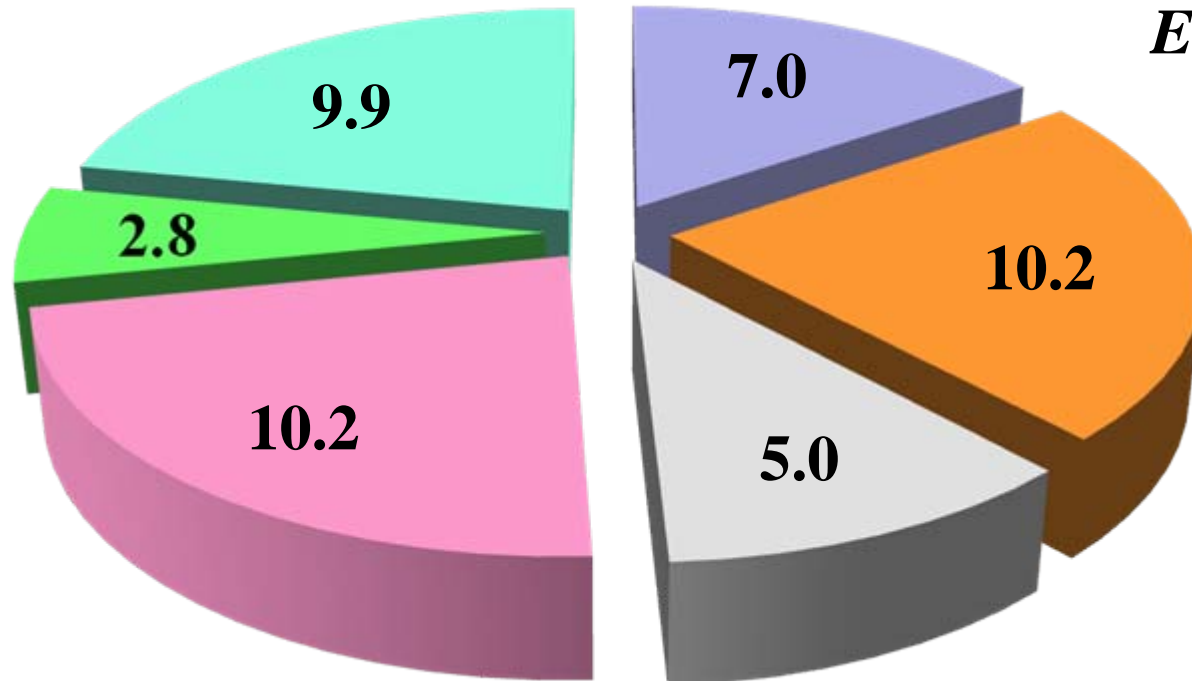


Disaster Financing by region in \$ billion (1980 – March 2009)

South Asia

Africa

East Asia and the Pacific



Middle East and North Africa

Latin America and the Caribbean

Europe and Central Asia



Global Facility for Disaster Reduction and Recovery

Track 1: Partnership and
Advocacy /
Direct Grant Funding

- Advocacy
- Standardization
- Dissemination

Track 2: Prevention /
Multi-donor Trust Funds

- Risk assessment
- Risk management
- Capacity building

Track 3: Recovery Financing /
Standby financing facility
for Disaster Recovery

- Mitigation
- Recovery



Operational Policy on Rapid Response to Crises and Emergencies

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Guiding principles:

- application of rapid response instrument;
- focus of the Bank's direct assistance on its core development and economic competencies,
- close coordination with other partners; and
- appropriate oversight arrangements, including corporate governance and fiduciary arrangements.

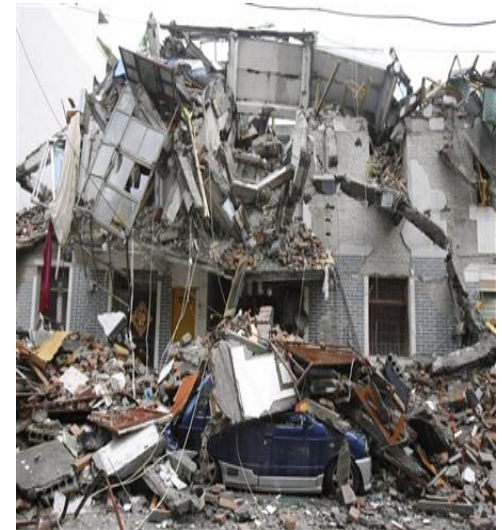


Policy benefits are realized from an:

- increased field presence in fragile states;
- the establishment of a callable roster of experienced sector and operational staff;
- the provision of stronger institutional back-up through rapid response teams in central and regional units; and,
- considering ways to improve incentives for staff working in challenging environments.



Example Projects





Indonesia: Tsunami Reconstruction

Four Multi-donor Trust Fund projects have been approved to be managed by the World Bank

- Reconstruction of Aceh Land Administration Project (US\$28 m)
- Kecamatan Development (US\$54 m)
 - Urban Poverty (US\$18 m)
- Settlement Rehabilitation and Reconstruction (US\$150 m)

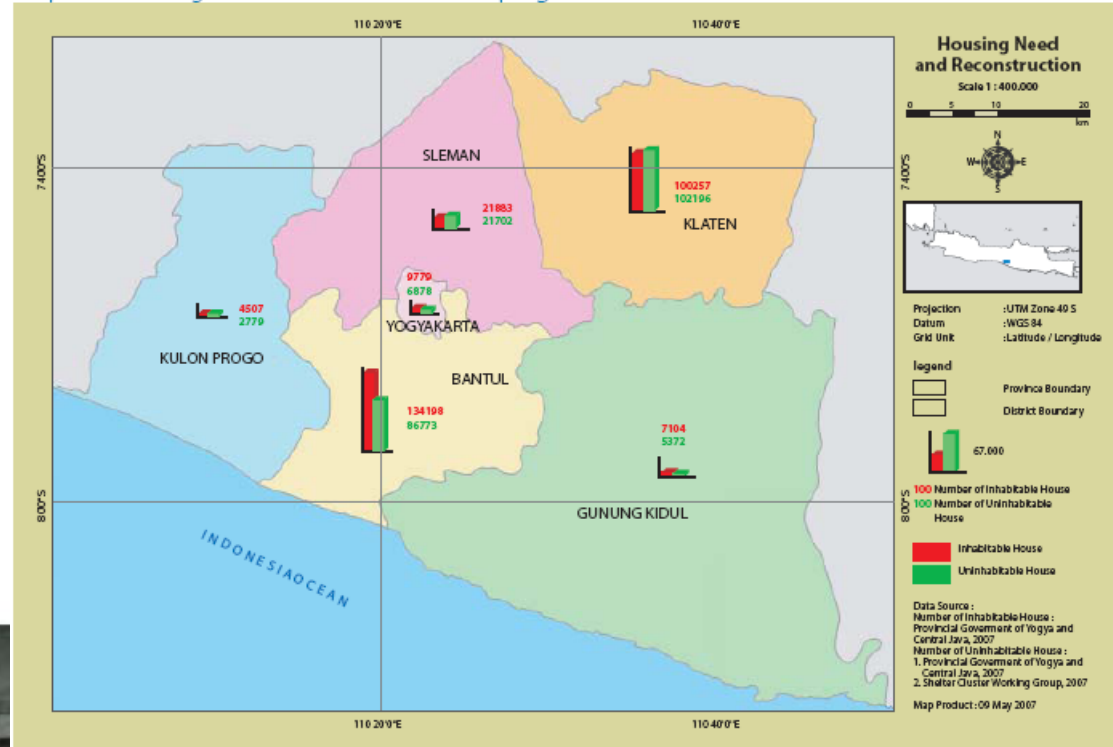


Indonesia: community based settlement reconstruction program

Map 1.1: Housing needs and reconstruction progress



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Maldives: Tsunami Recovery

Emergency Recovery Credit - US\$14 million

Component 1 - Restoration of livelihoods (\$8.6m)

Component 2: Increase school capacity (\$5 m)

Component 3: Technical skills for implementing the
Post-tsunami reconstruction program (\$0.4 m)



Sri Lanka: Tsunami Recovery

Emergency Recovery Credit - US\$150 m

Component 1 – Housing Reconstruction and Rehabilitation (US\$40 m)

Component 2 - Roads, Water Supply and Other Infrastructure (US\$15 m)

Component 3 - Livelihood Support (US\$15 m)

Component 4- Support for Implementation Capacity Building (US\$5 m)



India: Tsunami Recovery

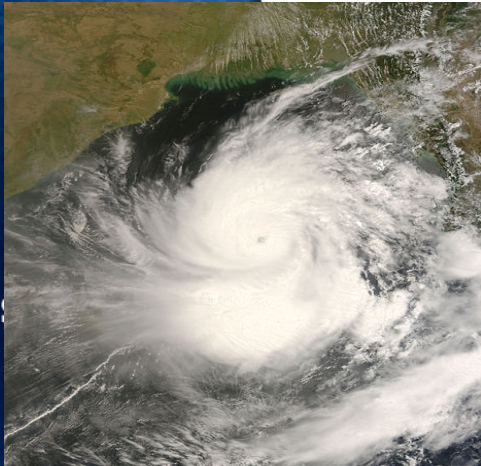
Emergency Recovery Credit - US\$465 m

Component 1: Housing Reconstruction
(US\$596.8 m)

Component 2: Restoration of Livelihoods
(US\$36.4 m)

Component 3: Public Buildings and Public Works
(US\$19.5 m)

Component 4: Technical Assistance (US\$11.1 m)



Vietnam: Natural Disaster Risk Management



**The flood of
Mekong
Delta**



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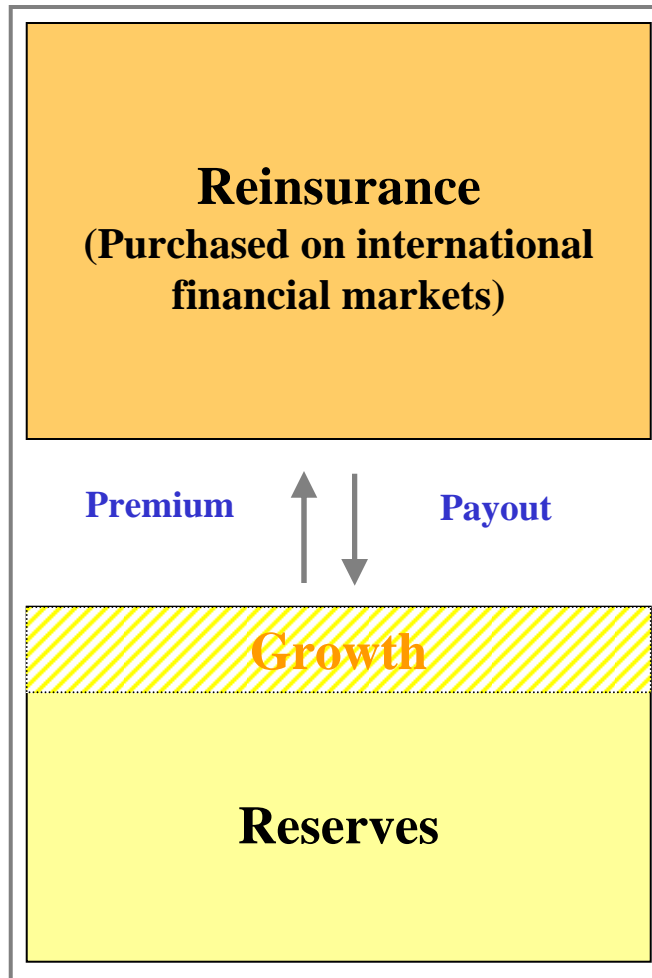
Major Project Components:

- 1) Prevention and Mitigation investments
- 2) Community-based Disaster Risk Management
- 3) Post-Disaster Reconstruction Support
- 4) Project Management and Institutional Strengthening



Caribbean: Catastrophic Risk Insurance Facility

- Country 1
- Country 2
- Country 3
- Country 4
- Country 5
- Country 6
- Country 7



- Initial donor contribution
- Initial donor contribution
- Initial donor contribution



Pakistan: Post-earthquake recovery

- \$400 million credit (2005)
- Main components:
 - ◆ Rural housing reconstruction
 - ◆ Livelihood support
 - ◆ Import financing
 - ◆ Capacity building and hazard risk management
 - ◆ Contingency arrangements



Turkey: Seismic Risk Mitigation

- \$400 million (2005)
- Main components:
 - ◆ Enhancing emergency preparedness of the public safety organizations in Istanbul
 - ◆ Seismic risk mitigation for lifeline public facilities
 - ◆ Enforcement of building codes and compliance with land use plans
 - ◆ Project management and institutional capacity



China: Recovery Financing and Technical Assistance



- Strengthen transport-related emergency response systems
- Wenchuan Earthquake Recovery Financing



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Lessons Learned

- Need for greater speed and different approach to risk
- Challenges in early recovery
- Narrow definition
- Overemphasis on physical reconstruction
- Insufficient flexibility for cooperation
- Inadequate emphasis on strategic approach to prevention



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***Thank
you!***

