

Multi-year Expert Meeting
on Transport, Trade Logistics and Trade
Facilitation:

**Third Session:
Small Island Developing States:
Transport and Trade Logistics
Challenges**

24 – 26 November 2014

**Building Resilience to Natural Hazards
*Experience at GFDRR and the World
Bank***

Presentation by

Ms. Isabelle Forge

Representative, Global Facility for Disaster Reduction and Recovery
World Bank Group

This expert paper is reproduced by the UNCTAD secretariat in the form and language in which it has been received. The views expressed are those of the author and do not necessarily reflect the view of the United Nations.



3rd Multi-year Expert Meeting on Transport, Trade Logistics and Trade Facilitation
UNCTAD
Geneva - 24-26 November, 2014

Building Resilience to Natural Hazards *Experience at GFDRR and the World Bank*

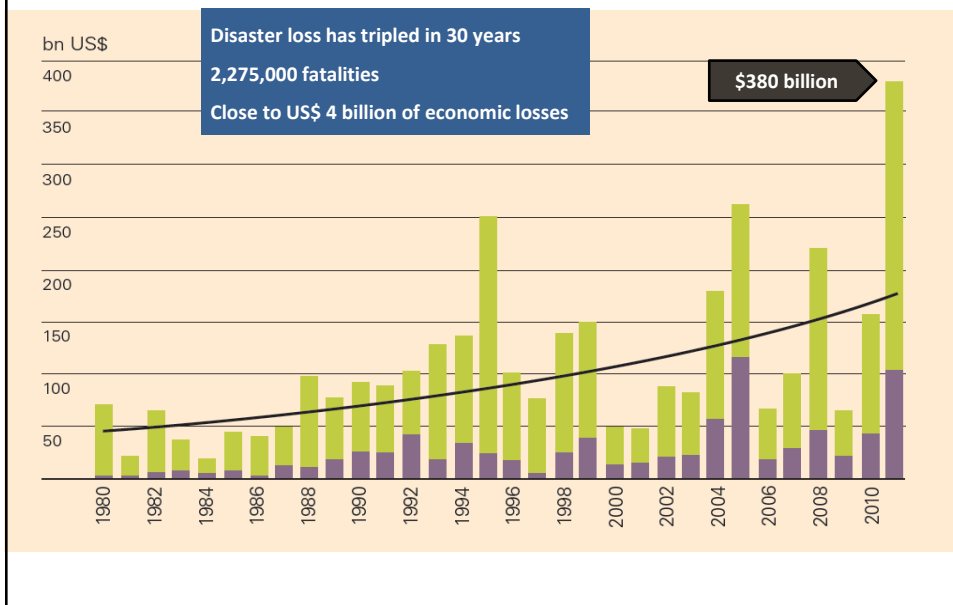
Isabelle Forge
WB/GFDRR



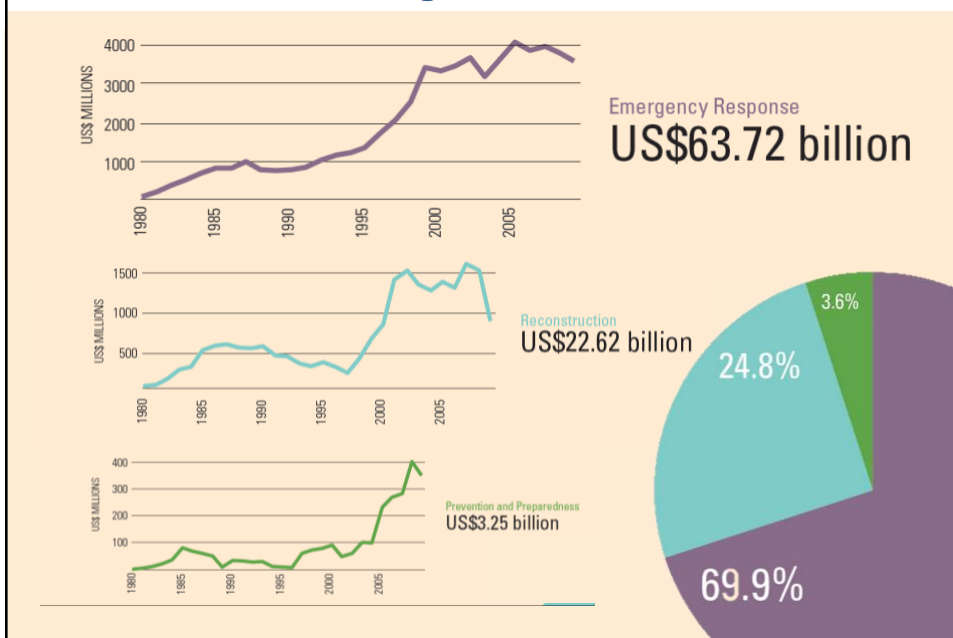
International Context



A relentless increase in disaster loss



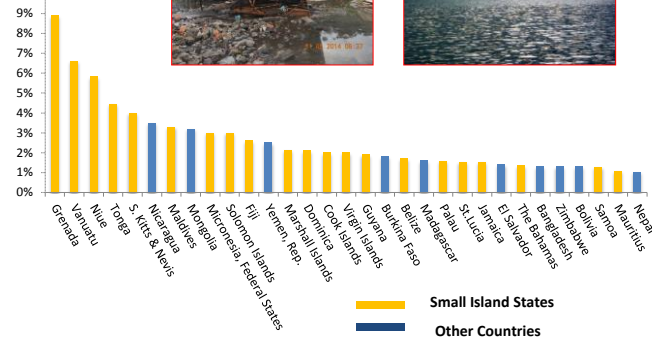
International Financing for DRM : THE GAP



Resilience to Climate Change and Disasters is at the center of the development challenges faced by Small Island States

- Small Island States account for **two thirds** of the countries with highest relative annual disaster losses
- Losses average 1-9% of GDP per year
- This acts as a 'leaking bucket', pulling back economic growth and development

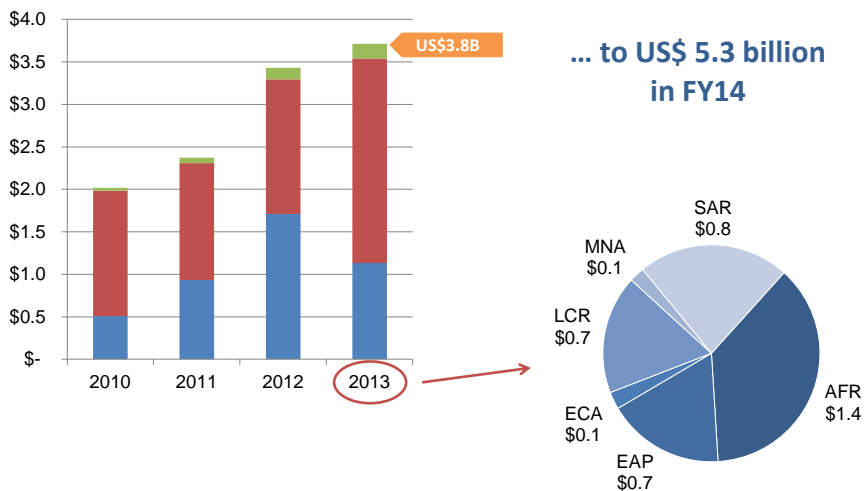
Average Annual Disaster Losses (as % of GDP)



THE WORLD BANK & GFDRR



DRM: a growing priority for the World Bank



The Global Facility for Disaster Reduction and Recovery

A Global Partnership


Mission:
to help high-risk, low income developing countries better understand and reduce their vulnerabilities to natural hazards, and to adapt to climate change.

GFDRR MEMBERS



GFDRR OBSERVERS





Five Pillars of Action

🔍
Risk Identification

↓
Risk Reduction

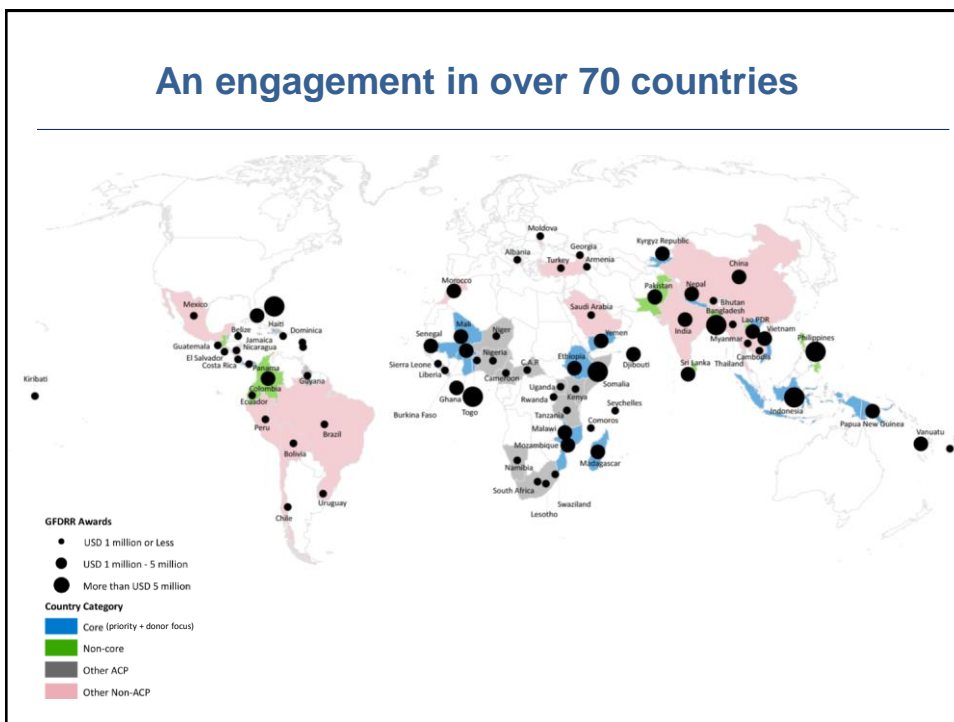
✅
Preparedness

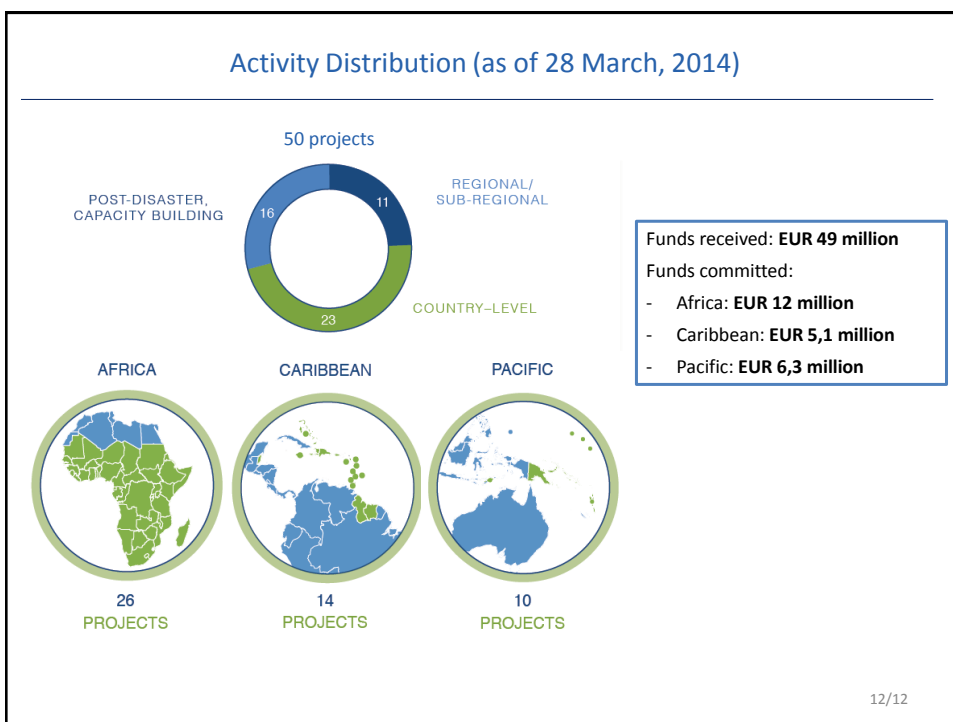
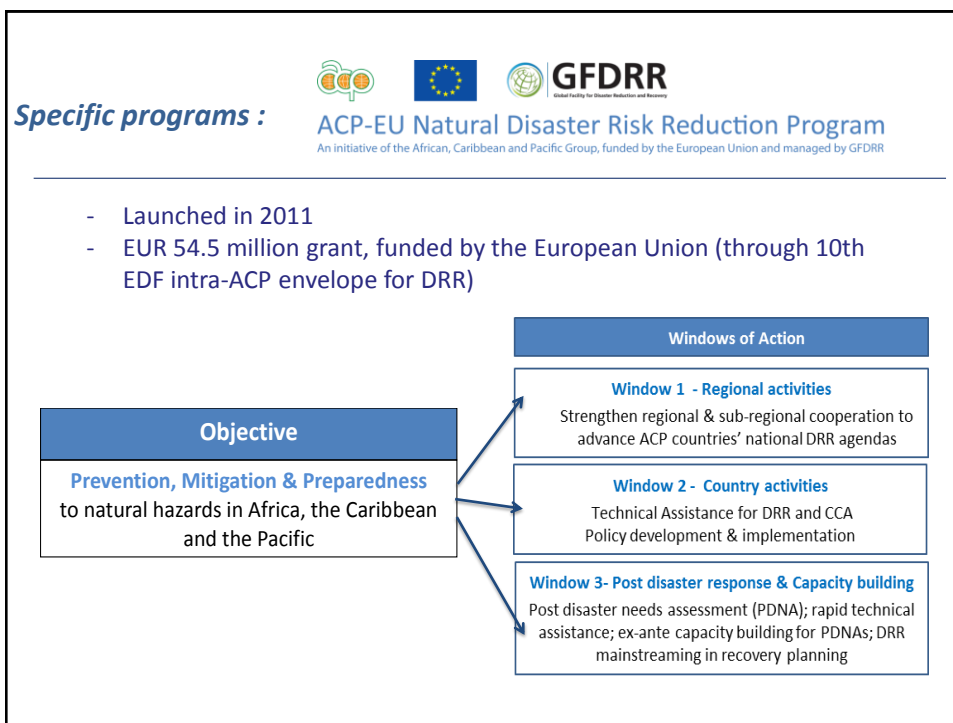
💰
Financial Protection

🔨
Resilient Recovery

Specialized teams

- Open Data for Resilience
- Safer Schools Initiative
- Resilient Cities
- Climate Resilience
- Hydromet Services
- Disaster Risk Financing
- Post Disaster Assessments
- Recovery Framework





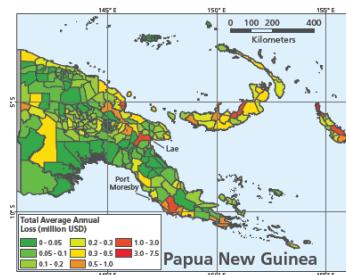
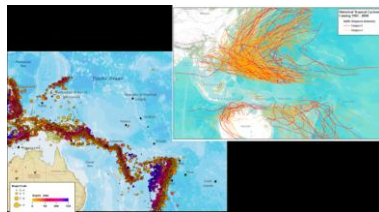


UNDERSTANDING RISK for ACTIONS



Risk Assessment

Measuring the scope of exposure and vulnerabilities
... to Progress of Resilience



- *The Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI), for example, has mapped more than 2 million buildings in areas at risk*

Post Disaster Needs Assessments – PDNA -

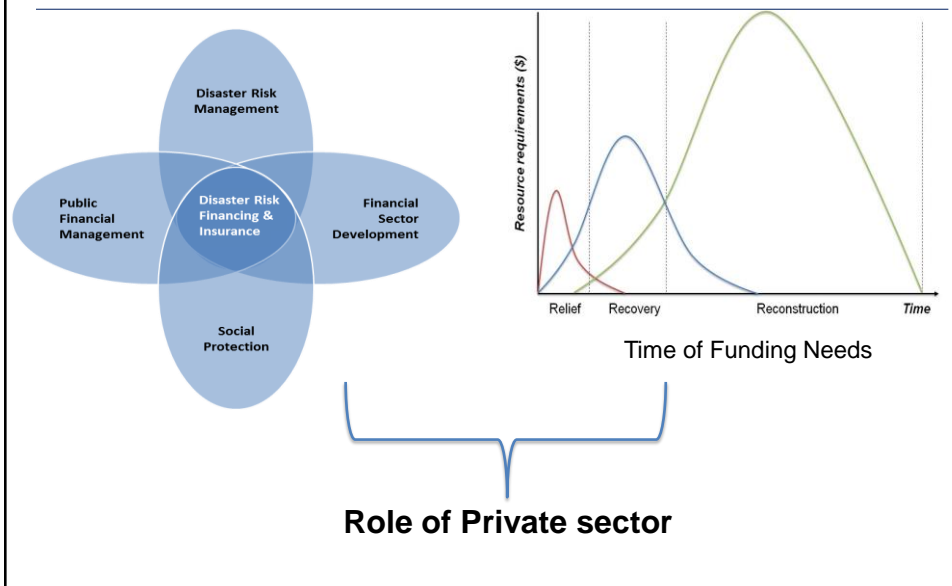
The open window for

- **RESILIENT** recovery and reconstruction
 - **Multi sectoral** approach
 - Integrating **DRM** measures
- *In recent years, GFDRR funded rapid post disaster assessments in St. Lucia, St. Vincent and Grenadines, Tonga, Solomon Islands, Seychelles and Comoros...*
 - *These assessments have facilitated countries' access to funding for more resilient reconstruction.*



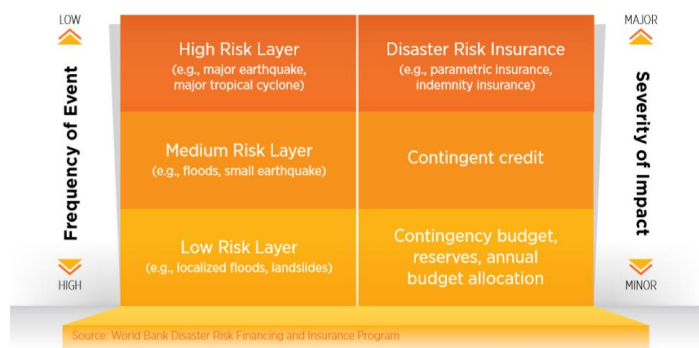
Disaster Risk Financing and Insurance: A growing investment in SIDS

Disaster Risk Financing and Insurance ...



... identifying best opportunities

Layered Strategy for Financing Disaster Losses



The Caribbean Catastrophe Risk Insurance Facility

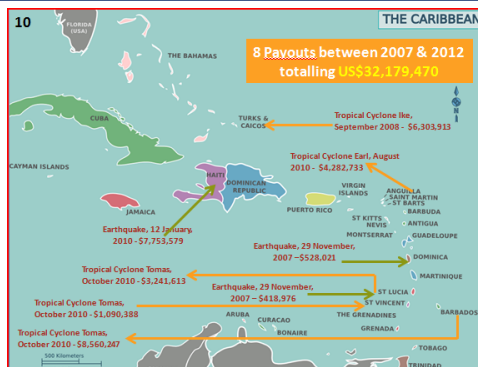
Main issues

- High exposure to adverse natural events
- Limited capacity to establish national reserves
- Limited capacity to spread risk (small size, debt levels)
- Limited access to insurance/reinsurance markets

The solution:

A joint reserve mechanism allowing Caribbean Governments to access liquidity at short notice in case of a major hurricane or an earthquake

- quick disbursing
- transparent rules
- at the lowest possible cost

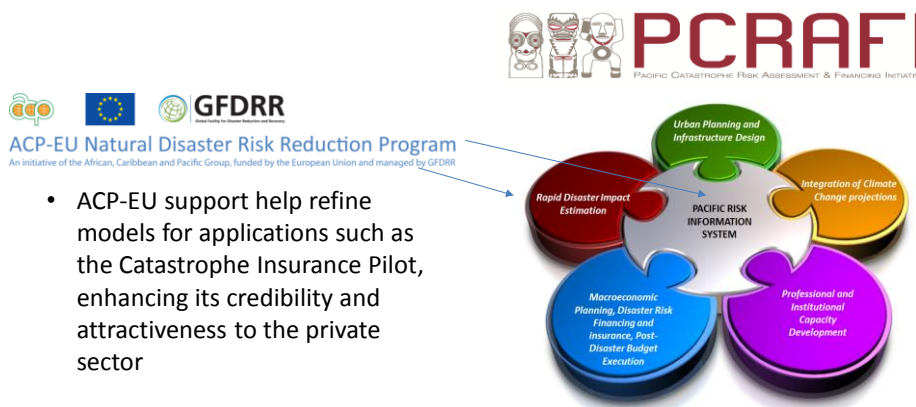


But ... support from the donor partners was essential for the establishment of the CCRIF:

- Initial grant from Government of Japan for the preparation phase (2005-2007)
- Establishment of a dedicated Multi-Donor TF (2006) with donor contributions of US\$67 million

Expanding the Experience of CCRIF to the Pacific

- with the support of GFDRR, the EC, Government of Japan and Regional Organizations
- by pooling the risk across multiple countries, premiums can be lowered

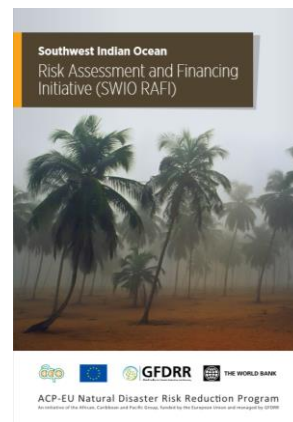


... and Indian Ocean

The question remains on whether individual or joint solutions can be found to increase the financial resilience of the Island States against natural hazards.

The Southwest Indian Ocean Risk Assessment and Financing Initiative (SWIO RAFI) seeks to answer this question

- DR financing by improving the understanding of disaster risks and risk financing solutions of participating island nations.



- Collecting /sharing hazard & exposure data
- Developing catastrophic risk profiles
- Assessing regional & national catastrophe risk financing options
- Building a regional open data platform
- Developing preliminary national disaster risk financing strategies



This initiative - complements the ongoing work of the IOC in accordance with the Mauritius Strategy for the Further Implementation of the Program of Action for the Sustainable Development of Small Island Developing States (SIDS) 2005–2015.

- supports the Indian Ocean Commission (IOC) ISLANDS project, which is also supported by the European Union (EU), the United Nations Office for Disaster Reduction (UNISDR) and the Agence Française de Développement (AFD).

- will be implemented with financial support from the EU in the framework of the ACP-EU Natural Disaster Risk Reduction Program, managed by the Global Facility for Disaster Reduction and Recovery (GFDRR).

CAT-DDO - Catastrophe Risk Deferred Drawdown Option ..



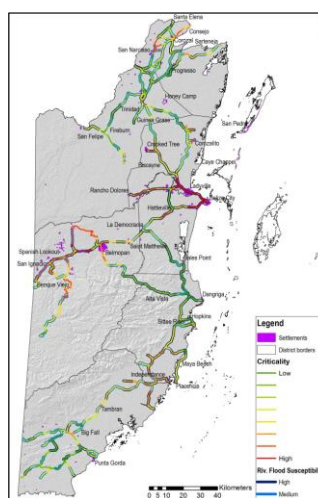
**A Landmark First for Africa:
Seychelles Uses Contingent
Credit for Disasters**
October 15, 2014

... At a Glance

- A contingent loan that provides immediate liquidity following a natural disaster
- Funds become available for disbursement after the declaration of a state of emergency due to a natural disaster
- Country must have a disaster risk management program in place, which the Bank will monitor on a periodic basis

Mainstreaming Resilience - the example of Belize

- *GFDRR Grant helped Belize prioritize transport infrastructure vulnerable to disasters*
- *Government adopted a National Climate Resilience Investment Plan*
- *US\$430 million targeted for retrofitting and upgrading to disaster/climate change standards*
- *This was followed by a US\$30 million IBRD investment project, focusing on priority roads*
- *Belize has now nearly closed the financing gap*
- *The entire road network of Belize is expected to be made climate resilient*

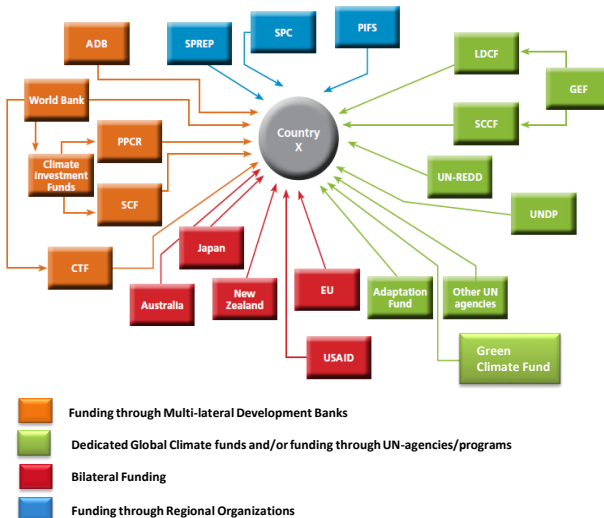




REMAINING ISSUES



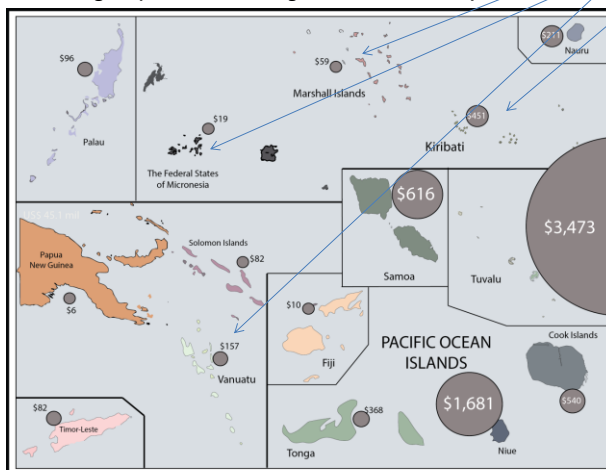
Funding is Fragmented



- No PIC has yet qualified for direct access to global climate funds
- Access is through an accredited Implementing Agency – World Bank, ADB, UNDP, UNEP, FAO...
- There are many different Implementing Agencies for the largest available fund, the Least Developed Countries Fund.
- Having many Implementing Agencies and projects in same country increases fragmentation
- The Solomon Islands was implementing 22 different projects in 2012

Amount per Country not clearly linked to Vulnerability

Funding per Capita for Climate and Disaster Resilience, in Pacific Island Region (channeled through WBG as a Trustee)



Some highly vulnerable countries get relatively small allocations

Funding influenced by:

- IDA envelopes
- UN's Least Developed Country status
- Maturity of national programs
- Recent disasters
- Donor traditional ties

There is a need to further combine funding and harmonize procedures to make financing more accessible and predictable

FRAGMENTED LANDSCAPE
(Current Situation)



NATIONAL PROGRAM APPROACH

(Sources of funds are increasingly complementary)



HARMONIZED PROCEDURES

(Several Sources of funds following same procedures)



DIRECT ACCESS

(Funding combined, strengthened country procedures)

The WBG and ADB are already moving in this direction, for example through the **Pacific Islands Regional Program on Disaster and Climate Resilience**



**A targeted answer :
The Small Island States Resilience Initiative (SISRI)**



The Small Island States Resilience Initiative (SISRI)

- Newly announced at Samoa conference
- Aims to **mobilize additional resources to scale up** existing assistance
- **Specific** to Small Island States
- Aims to reduce **both disaster and climate risks**
- Would form a **dedicated global team** specializing on the needs of Small Island States
- Allow for **sharing of experiences** across regions (Caribbean/Pacific/Indian Ocean/West Africa)
- Strengthen countries fiduciary and technical capacity to **prepare them for direct access**
- Would **measure the progress of resilience**



Next Steps for SISRI

- A **dedicated thematic initiative** specializing on *Small Island States*
- **Specialized Knowledge Products**, such as:
 - Atoll Islands Resilience Study
 - SimpleCoast: On-line manual of simple coastal resilience options
 - Measuring Resilience in Small Island States
 - Best Practices in Climate and Disaster Risk Financing
 - Population Retreat from High Risk Areas
 - Project Management Best Practices
- **Facilitate access to financing** – map out existing sources, aggregate funding, and identify gaps
- **Work with the WBG and other partners towards long-term, programmatic engagement**



Thank you for your attention

For more information please contact

Sofia Bettencourt, GFDRR Lead Specialist on Climate Change

sbettencourt@worldbank.org

Olivier Mahul, GFDRR Program Coordinator Disaster Risk Financing and Insurance

omahul@worldbank.org



Welcome to our website:
www.gfdr.org