INTEGRATED DISASTER RISK MANAGEMENT IN MOROCCO

Managing risk by rewarding results

AT A GLANCE

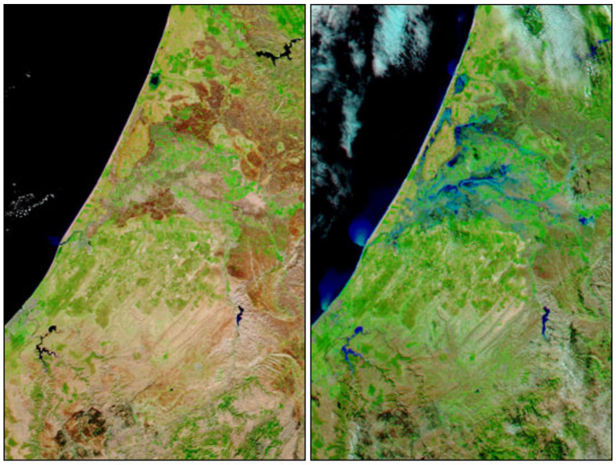
Country Morocco

Risks Climate change exacerbating extreme weather events

Area of Engagement Deepening engagements in resilience to climate change

In an effort to mitigate impacts from natural hazards, the government of Morocco has adopted an integrated approach to disaster risk management.

Satellite maps of flooding in Morocco



Nov. 7, 2002 Nov. 26, 2002

Source: NASA

$800 MILLION IN ANNUAL LOSSES

In Morocco, impacts from natural hazards average about $800 million every year. Driving the largest share of losses, flooding is a chronic problem in the country. Between 2000 and 2013, Morocco experienced 13 major flood events that together claimed the lives of 263 people. Drought also regularly affects the country, causing considerable losses in the agriculture sector, which accounts for about 15 percent of Morocco's GDP. Morocco also has the potential for massive seismic events, the most recent of which was a magnitude 6.3 earthquake near Al Hoceima in 2004, which claimed the lives of 631 people and destroyed 12,000 homes.

Climate change threatens to increase the frequency and severity of weather-related events in Morocco. Case in point: In 2016, the country suffered its worst drought in 30 years, reducing cereal yields by 70 percent and contributing to an economic slowdown. Development factors, such as rapid urbanization along coastal areas threatened by sea-level rise, are increasing exposure to risk, especially among the poorest and most vulnerable in the country. By 2030, 42 percent of the Moroccan coastline is predicted to be at high risk from flooding and erosion.

AN INTEGRATED, RESULTS-BASED APPROACH TO DISASTER RISK MANAGEMENT

Recognizing the intensifying disaster and climate risk in the country, the Moroccan government has made disaster risk management (DRM) a top priority. With the support of the Global Facility for Disaster Reduction and Recovery (GFDRR), the World Bank, the Organization for Economic Cooperation and Development (OECD), and the Swiss government, the Moroccan government has been implementing an integrated DRM reform program with three key elements:

- Promoting institutional reform and capacity-building activities. The goal is to establish a more systematic DRM process in Morocco, covering DRM activities implemented by central government line ministries, other national entities, and provincial and local governments.
- Expanding the number and range of risk-management projects financed through Morocco's emerging "Resilience Fund," or *Fonds de lutte contre des effets des catastrophes naturelles* (FLCN), housed within the Ministry of Interior. The expansion effort focuses on risk prevention and

reduction, and on providing incentives for non-structural interventions.

- Developing disaster risk financing solutions before disasters strike. Morocco's DRM program calls for the design and implementation of a national insurance program to mitigate the effect of natural disasters on homeowners, businesses, and the poor. The effort relies in part on analytical work and capacity-building activities led by the GFDRR- and World Bank–supported Disaster Risk Finance and Insurance Program (DRFIP); DRFIP also assisted the Ministry of Finance and the National Insurance Regulator (ACAPS) in the implementation of a new law that makes insurance against natural catastrophes automatic for any policyholder in Morocco.

World Bank support to these efforts is provided under a $200 million Program-for-Results (PforR) initiative, which is designed to reward the achievement of specific results in the government's management of disaster risk. This is the first time the World Bank has used PforR in the area of DRM. GFDRR facilitated the overall DRM dialogue in Morocco, creating a national multi-hazard probabilistic risk assessment and providing ongoing support to institutional reform efforts; GFDRR will also provide upcoming work on urban resilience.

LESSONS LEARNED

Upstream technical and analytical work pays off.

Without significant capacity-building support and extensive technical assistance – which laid the groundwork for a comprehensive approach to disaster risk management and resilience – the Program-for-Results program would not have been possible.

Managing multiple risks effectively requires an integrated approach.

To reduce risks at a sectoral level, and to follow a resilient development path, decision-makers must seek out multidisciplinary expertise and effectively coordinate between several actors and institutions.

Technical assistance and analytical work alone are not sufficient to achieve results in risk reduction..

To translate policy and reform proposals into concrete actions and results on the ground, governments need to develop a comprehensive disaster risk management and resilience program, which financial support – for instance, through a World Bank lending operation – can help operationalize.

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DISASTER & CLIMATE RESILIENCE INCENTIVIZED

Morocco's $200 million, World Bank-supported Integrated Disaster Risk Management and Resilience Program is structured as a Program-for-Results (PforR), where disbursements are linked to the achievement of specific results. This PforR is the first of its kind in the World Bank for disaster and climate resilience, and is the result of sustained efforts since 2008.

DISASTER RISK FINANCE & INSURANCE CAPACITY STRENGTHENED

In 2016, the Moroccan Parliament approved a new disaster risk insurance law, which is being implemented by the Ministry of Finance and ACAPS. The GFDRR- and World Bank–supported Disaster Risk Finance and Insurance Program (DRFIP) is supporting implementation through analytical work and capacity building. DRFIP is also providing financial risk analysis, helping structure a reinsurance program leveraging the use of private capital, and assisting in the setup of a comprehensive financial protection strategy for the solidarity fund.

CREATION OF "RESILIENCE FUND"

Morocco has created a "Resilience Fund" to incentivize financing of disaster risk reduction and resilience investments. To date, the fund has committed over $30 million to co-finance more than 40 projects, which were selected from hundreds of applications submitted to a national competition. The fund's creation is part of a larger effort by the government of Morocco, led by the interior and finance ministries, to fundamentally reform its national risk management architecture. The changes will be reflected in an overarching national disaster risk management and resilience strategy.