

Global Facility *for* Disaster Reduction *and* Recovery

A partnership for mainstreaming disaster mitigation in poverty reduction strategies

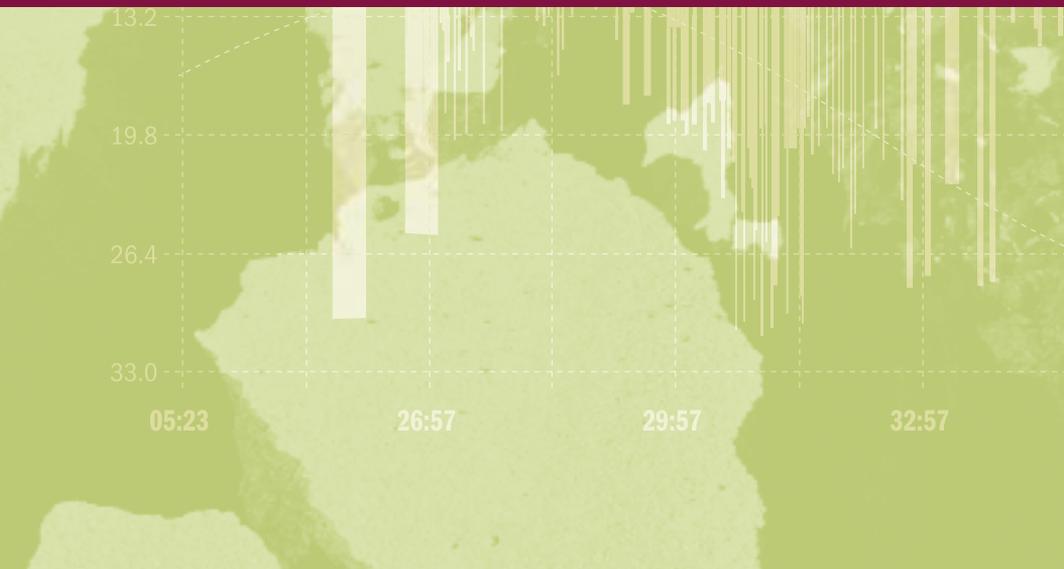


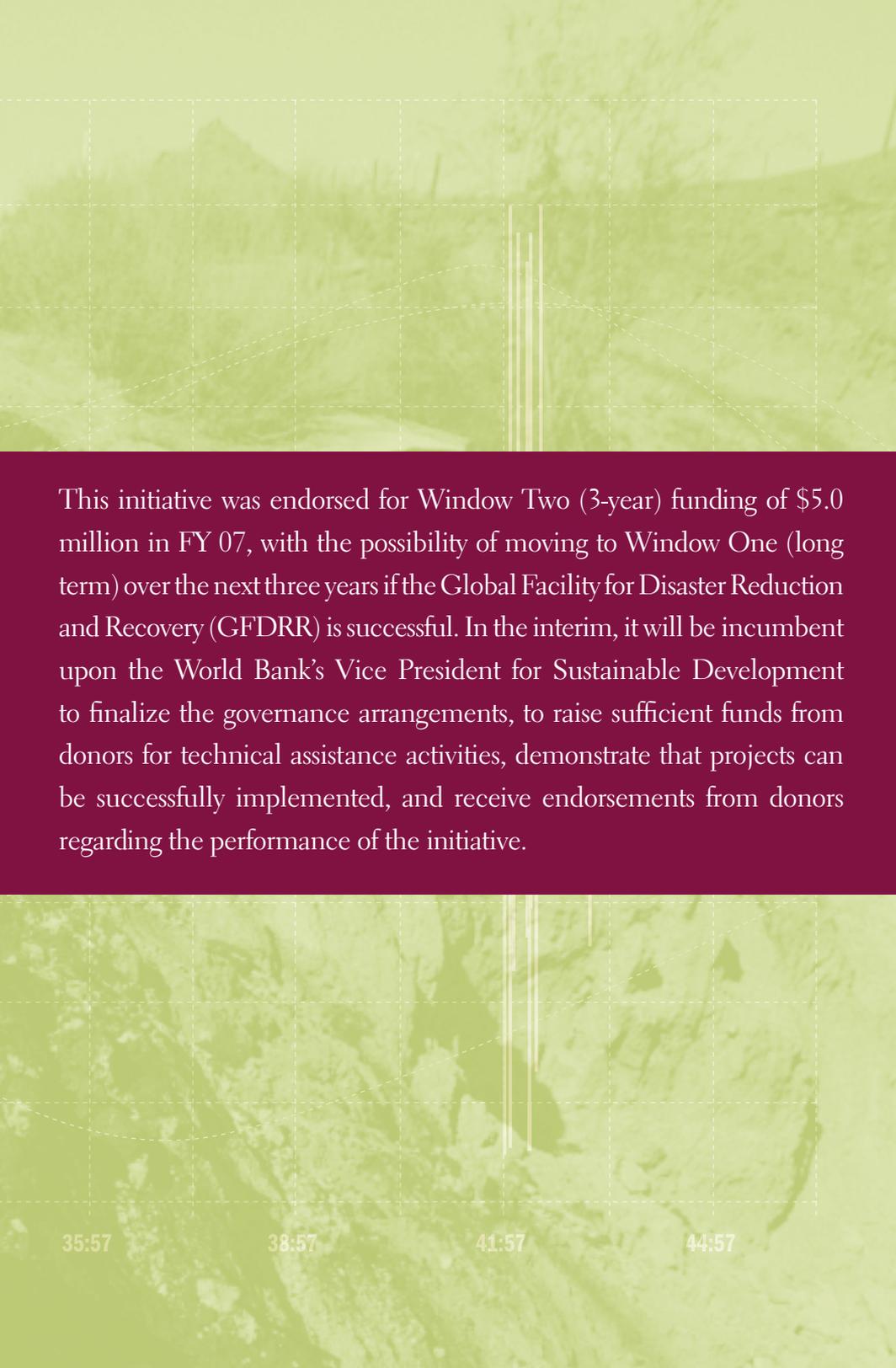
World Bank



MESSAGE FROM THE WORLD BANK'S DEVELOPMENT GRANT FACILITY (DGF) COUNCIL

Following the World Bank's Board approval of the FY 07 Development Grant Facility (DGF) budget, the DGF Council endorsed the creation of the **Global Facility for Disaster Reduction and Recovery**, which will support countries considered at high risk for natural disasters to develop and implement disaster risk mitigation strategies and also seeks to develop a window for ex-post funding of reconstruction for low-income countries.



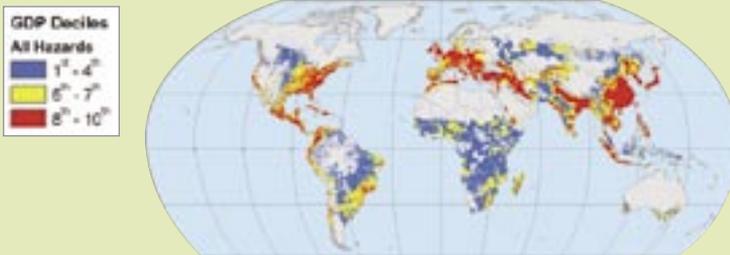


This initiative was endorsed for Window Two (3-year) funding of \$5.0 million in FY 07, with the possibility of moving to Window One (long term) over the next three years if the Global Facility for Disaster Reduction and Recovery (GFDRR) is successful. In the interim, it will be incumbent upon the World Bank's Vice President for Sustainable Development to finalize the governance arrangements, to raise sufficient funds from donors for technical assistance activities, demonstrate that projects can be successfully implemented, and receive endorsements from donors regarding the performance of the initiative.

The purpose of this brochure is to elicit partner's feedback and support to the **Global Facility for Disaster Reduction and Recovery (GFDRR)**, a new initiative of the World Bank in support of implementation of the **Hyogo Framework for Action (HFA)**¹ in low and middle-income countries at high disaster risks. This Facility has been approved by the World Bank's Board for financial assistance from the Development Grants Facility (DGF) in FY 07. This paper will be regularly updated based on feedback and suggestions from the World Bank's partners and clients to enhance the impact of the Facility's interventions in low and middle-income countries prone to disaster risks.

¹ The World Conference on Disaster Reduction was held from 18 to 22 January 2005 in Kobe, Hyogo, Japan, and adopted the present Framework for Action 2005-2015: Building the Resilience of Nations and Communities to Disasters (here after referred to as the "Hyogo Framework for Action").

ALL-HAZARD TOTAL ECONOMIC LOSS RISK HOTSPOTS: TOP 20 IN EMERGENCY LOANS



According to the Global Hotspots Analysis conducted by the World Bank and Columbia University, 25 million km sq. and 3.4 billion people are relatively highly exposed to at least one natural hazard; 105 million people are relatively highly exposed to three or more hazards.

Key findings of the Hotspots study are:

- 1 Higher population density of areas that have experienced relatively high mortality during the past two decades. Nearly one-fourth of total land area and more than three-fourths of world's population are subject to a relatively high risk from one or more hazards.
- 2 More than four-fifths of GDP is located in areas of relatively high economic risk subject to one or more hazards.
- 3 More than half of the world's GDP is located in high-risk areas subject to two or more hazards.
- 4 35 countries have more than 5% of the population in areas at risk from three or more hazards.
- 5 96 countries have more than 10% of the population in areas at risk from two or more hazards.
- 6 160 countries have more than 25% of the population in areas at risk from one or more hazards.



BACKGROUND

DISASTER REDUCTION AND RECOVERY IS A CRITICAL DIMENSION OF POVERTY REDUCTION AGENDA. Disaster-related risks continue to increase due to urbanization, unplanned human settlements, environmental degradation, and increasing vulnerability of the population in the World Bank's client countries and these pose a threat to development gains. Modeling disaster risks in macroeconomic projections and estimating changes in real per capita income has shown that catastrophes can slow or stall the reduction of poverty. Beyond the sheer numbers of those living in poverty, the poverty gap is also accentuated by the catastrophes. In order to meet poverty objectives, it is necessary that potential hazard risks are determined and risk management approaches taken into account while designing poverty reduction strategies/socio-economic development plans. As and when disasters do occur, recovery has often remained under-funded with detrimental impact on development despite donor support and reallocation of development portfolio. The global and national mechanism for financing recovery needs greater attention to bring in speed, flexibility, and innovation to jump-start economies affected by disasters and to ensure that poverty-related policy objectives are met.

THE HYOGO FRAMEWORK FOR ACTION (2005-2015) IS THE INSTRUMENT TO ACHIEVE DISASTER REDUCTION. The primary international agreement for disaster reduction amongst 168 countries and multi-lateral institutions including the World Bank and the UN system is *the Hyogo Framework for Action 2005-2015 (HFA)*. The principal strategic goal of HFA is to more effectively integrate disaster risk considerations into sustainable development policies, planning, and programming at all levels and it is directly relevant to the World Bank's country assistance strategies and poverty reduction strategy papers (PRSPs). The International Strategy for Disaster Reduction (ISDR) system, which has been recently strengthened with the participation of national governments, provides an opportunity for enhanced dialogue for sustained political commitment and action for disaster reduction. The essential purpose of the ISDR system, consisting of governments, UN agencies, IFIs, private sectors and civil society organizations, is to support the growth of national

capacities to deal with disaster risk, including the establishment or strengthening of national platforms for disaster risk reduction and support national action plans. The ISDR system has been mandated to track progress on achievement of three strategic goals of the Framework.



FOR THE FIRST TIME, THE HOTSPOTS STUDY OF THE WORLD BANK AND COLUMBIA UNIVERSITY PROVIDES A SCIENTIFIC BASIS FOR BENCHMARKING AND REDUCING ECONOMIC LOSS RISKS DUE TO NATURAL HAZARDS. The World Bank commits substantial resources each year for reconstruction after disasters. A recent evaluation of World Bank's natural disaster assistance by its *Independent Evaluation Group (IEG)* has observed that natural hazard risks are highly concentrated, so special attention needs to be given to planning ahead for disaster and to reducing long-term vulnerability in those countries at highest risk. The study has also recommended that disaster mitigation must be an integral part of strategic planning processes in these countries ². In order to proactively pursue risk reduction in high risk countries, the World Bank's Global Hotspots Study has identified 86 countries with high mortality and economic loss risks, with 30-95% of GDP and/or mortality in areas at risks. With the climate trend pointing to more extreme conditions and increased climate variability in the future, many countries in environmentally sensitive regions, particularly the island nations will become more vulnerable to climate-related risks. Besides the need for improving the global mechanism for efficient delivery of recovery assistance in countries prone to natural disasters through greater institutional preparedness and coordination, it is necessary to move the focus away from merely responding to disaster losses through reconstruction to mitigation and pre-disaster preparedness activities as a critical dimension of the World Bank's poverty reduction agenda, consistent with the Bank-wide framework for mainstreaming disaster reduction. ³

² Visit <http://www.worldbank.org/ieg/naturaldisasters> to see the full report.

³ Visit <http://www.worldbank.org/hazards/gfdrr> for details of this Mainstreaming Framework.



THE WORLD BANK SEEKS TO RESPOND TO GLOBAL DEMAND FOR CATALYZING GREATER INVESTMENT IN PREVENTION AND MITIGATION TO SUPPORT IMPLEMENTATION OF HFA. Building networks and global and regional partnerships for disaster reduction to leverage support for mainstreaming hazard risk management in national development strategies of high risk countries is integral to the World Bank's approach to disaster reduction. The *Global Facility for Disaster Reduction and Recovery (GFDRR)* is a new initiative intended to support national capacity building to deal with the risks of natural disasters and to enhance speed and efficiency of international assistance for disaster recovery operations. The Facility will also support the ISDR system to catalyze global and regional partnerships towards achieving some of the global and regional deliverables under the overall Hyogo Framework. The involvement of the World Bank in this Global Facility will demonstrate a global best practice in putting disaster risk reduction on the long-term development agenda to help client countries to manage and reduce current and emerging risks as a development issue.





THE WORLD BANK IS EXPECTED TO PROVIDE INTELLECTUAL, TECHNICAL AND FINANCIAL LEADERSHIP TO THE GLOBAL FACILITY TO ACHIEVE THE MANDATED GLOBAL, REGIONAL AND COUNTRY DELIVERABLES IN DISASTER REDUCTION. With its more than 40 years of operations in natural disaster assistance, the World Bank has acquired unique expertise and knowledge in disaster reduction. It has developed tools and techniques for risk assessment and mitigation, documented lessons and good practices in major disaster recovery and mitigation projects, policy-based tools for disaster-resilient development etc. Majority of the World Bank borrowers come to rely on the World Bank for advice and financial support each time a major natural occurrence overwhelms their ability to cope. Since 1980, the World Bank has lent an estimated \$ 26 billion in 528 disaster responses that generally have achieved their objectives. It has also developed an array of innovative risk financing instruments in collaboration with private sector and these could be used for both ex-ante and ex-post financing of disasters. With this knowledge, it is uniquely positioned to provide intellectual and technical leadership at the global level to integrate risk reduction with economic growth and poverty reduction and also catalyze greater investment in risk mitigation in countries through country diagnostics and programming.

THE WORLD BANK'S PARTICIPATION IN THE GLOBAL FACILITY WILL ENSURE EFFECTIVE LINKAGES WITH POVERTY REDUCTION STRATEGIES. Participation of the World Bank in the strategic oversight of the new ISDR system is considered crucial by all stakeholders including donor governments of the ISDR system to ensure effective linkages to poverty reduction strategies and extensive investment in hazard risk reduction. The Global Facility, a new partnership between the World Bank and stakeholders of the ISDR system provides strategic advantage to influence the global disaster risk reduction agenda and ensure that the investments made by the World Bank in poverty reduction at the country-level catalyze other complementary investments from members of the ISDR system in a coherent and non duplicating manner. The World Bank has a huge portfolio of post-disaster reconstruction programs and many of its ongoing sectoral programmes in health, education, urban development and infrastructure can promote better hazard risk management through appropriate alignments to disaster risk reduction.

Tracks

The Global Facility will have three-track operations to achieve its development objectives at global, regional and country-levels. These include the following key deliverables under each Track >



UNDER TRACK



Global and Regional deliverables:

This track will support ISDR's global and regional processes to enable leveraging country resources for ex-ante investment in prevention, mitigation and preparedness activities, particularly in low and middle-income countries. The key deliverables are:

- Enhanced global and regional advocacy, partnerships and knowledge management facilitated by the UN/ISDR Secretariat for mainstreaming hazard risk management in low- and middle-income countries at risks, e.g., strengthening ISDR platform and its outreach in different regions; regional and sub-regional initiatives in benchmarking of risks and resilience; regional/ sub-regional plan of action for DRR; regional/ sub-regional early warning strategies; global/regional/ sub-regional catastrophic risk financing initiatives; promoting/strengthening partnerships in disaster risk reduction particularly with universities, scientific and technical institutions, private sector, research organizations and professional bodies, etc; establishing a virtual clearinghouse for disaster risk reduction.

- Standardization of hazard risk management tools, methodologies and practices e.g., reporting on national good practices in disaster reduction and recovery; developing country-driven and country-owned risk assessment methodologies, country-based damage and needs assessment techniques, environmentally sustainable disaster reduction and recovery practices; promoting and supporting global disaster reduction research forum to highlight ongoing national research and gaps in disaster reduction.

UNDER TRACK



Country-level deliverables:

This track, operated as a multi-donor trust fund, will provide technical assistance to assist low- and middle-income countries to mainstream disaster risk reduction in strategic planning, particularly the Poverty Reduction Strategies (PRSs) and various sectoral development policies. The key deliverables are:

- Ex-ante risk management strategy and institutional development including early warning systems and emergency preparedness in low and middle-income countries (e.g., National Strategies for Risk Reduction, Institutional framework for risk

management, including policy, legal, and organizational elements, national plans for multi-hazard early warning systems, national incident management system for emergency response, etc.)

- Supporting innovative projects to demonstrate cost-effective hazard mitigation to reduce risks associated with critical infrastructure (e.g., strengthening education and health infrastructure in hazard prone areas through community-based initiatives in hazard-prone areas, promoting use of traditional construction techniques for disaster-resilient housing, etc.)
- Learning, research, and knowledge management for current and future risks (e.g., documenting lessons from national experiences in disaster recovery and dissemination; research in management of current and emerging risks; documenting traditional coping mechanism; scientific research in climate change management and adaptation; managing the risks due to sea level rise, etc.)
- Developing frameworks to catalyze investment in hazard prevention, mitigation and preparedness (e.g., National Hurricane Risk Mitigation Programme, National Earthquake Risk Mitigation Programme, National Catastrophic Risk Financing Programme, National Disaster Risk Communication Programme, etc.)
- Ex-ante disaster recovery financing mechanism established in middle-income countries (e.g., insurance

and reinsurance, catastrophe bonds, weather derivatives, Contingent credit, reserve fund etc.)

UNDER TRACK



Accelerated Disaster Recovery in Low-income Countries*

This track will establish a Standby Recovery Financing Facility to support low-income countries who have initiated disaster prevention investments, have limited fiscal space and may require additional resources for accelerated recovery without having to reallocate earmarked development resources for recovering from disasters when they do occur. The key deliverables are:

- An incentive-based mechanism for low-income countries to invest in ex ante risk management
- Greater institutional preparedness among all stakeholders
- Rapid and predictable financing available for sustainable disaster recovery operation

(*in pipeline) This Standby Recovery Financing track, proposed to be operated through a mechanism linked to IDA, is to support disaster-stricken countries' immediate recovery needs before medium and long-term recovery programs are formulated and launched. This is being developed in close collaboration with World Bank's IDA team and a position paper on this will be available soon for wider consultation.

The Global Facility will channel its support from three different tracks to partners and clients to service different activities for evidence-based disaster risk reduction. In order to achieve a mix of these global, regional and country deliverables, the Global Facility for Disaster Reduction and Recovery will mobilize technical and financial resources from partner governments and institutions and channel its support from either of the three different tracks (depending on the scope of the activity) to partners and clients to serve the country demand for knowledge and advisory services in the following five categories.



services

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Analytical and Advisory Services

This component will support global, regional, national and sub-national hazard assessment and mapping, hazard vulnerability and poverty analysis, risk identification, risk assessment; action research to establish disasters and poverty nexus, to generate evidence for long-term impact of disasters on development goals, to evolve cost-benefits framework for mitigation strategies; technical assistance to evolve a national roadmap for hazard risk management mainstreaming in poverty reduction; to develop sector-wide hazard risk mainstreaming approaches in sectoral policies; to develop innovative ex-ante and ex-post risk financing instruments; to mainstream adaptive strategies for climate change and such other need-based diagnostic and advisory services in the targeted countries with an objective to influence the formulation and implementation of poverty reduction strategies. While most of the activities under Service Line 1 will be undertaken in countries, some activities will be undertaken centrally at global and regional levels to support country operations, e.g., development of Handbook for mainstreaming hazard risk management in poverty reduction, development of Toolkit for integrating hazard risk assessment in poverty reduction; tracking resources for hazard prevention and mitigation at global, regional and national levels, etc.

Institutional Capacity Building

This component will support the development of a policy and institutional framework for hazard risk governance, management and capacity building in the countries. Some of the activities that could be supported are: country-level capacity and needs assessment, developing human resource development plan and capacity building action planning for risk management, establishing national risk information, communication and knowledge management framework, etc..

Advocacy, Training and Capacity Building Programme

This component is meant to support awareness and advocacy for hazard risk management in countries during the PRS formulation phase, working with World Bank's global parliamentarians' forum to raise awareness on hazard prevention and mitigation among legislatures; training of focal points from relevant line Ministries and lead national training institutions in hazard risk management etc.

Critical Infrastructure Risk Mitigation

Most of the accumulated disaster risks are due to sub-standard and decaying infrastructure in rural and urban areas. Safety of critical infrastructure such as schools and health facilities is extremely important as these have direct bearing on extent of mortality risks in a disaster scenario. While new infrastructure must meet acceptable building standards, existing ones will have to be retrofitted. Systematic review of the building codes and innovative measures to improve their enforcement, demonstrative community-based small infrastructure risk mitigation projects using local resources, and cost-effective technologies etc are examples of some of the small projects that could be supported under this component. It is expected to demonstrate benefits of risk mitigation with local risk management initiatives and therefore will leverage greater public and private investments in reducing structural (e.g., hospital building to withstand an earthquake) and non-structural (hospital building to remain functional after an earthquake) vulnerabilities for critical infrastructure in areas at high risks.

Standby Recovery Financing

Despite donor support and reallocation of ongoing development portfolio, recovery has been under funded with detrimental impact on development. Gap between end of humanitarian phase and initiation of medium/long-term recovery needs urgent attention of development community. Recovery often slows down due to termination of relief phase and insufficient funds for immediate recovery. The transition from relief to long-term recovery phase can be smoothened by a rapid recovery financing mechanism which provides additional resources to poor countries. Besides speed of action in funding, need for institutional preparedness and coordination among all stakeholders is essential. This service line will make additional resources available to low-income countries for post-disaster recovery operations provided recipient country has undertaken necessary policy and financial measures for ex ante risk mitigation and financing.



The **primary development outcome** of the Global Facility for Disaster Reduction and Recovery is to mainstream hazard risk management and sustainable disaster recovery practices in development strategies for good governance, economic growth and poverty reduction in low and middle-income countries at high mortality and economic loss risks due to multiple natural hazards.







THE GLOBAL FACILITY IS IN ALIGNMENT WITH THE WORLD BANK'S STRATEGIC FRAMEWORK

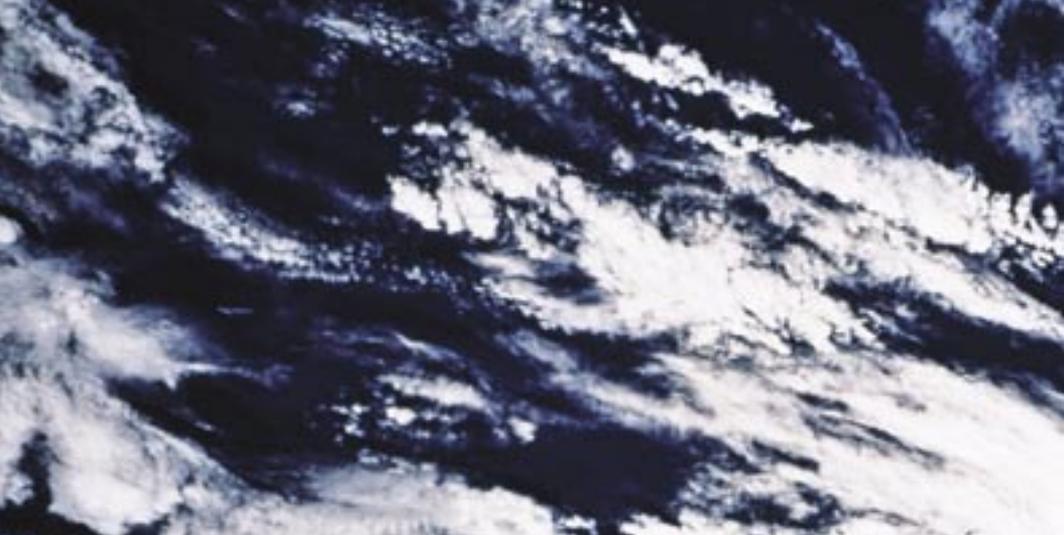
MILLENNIUM DEVELOPMENT GOALS Hazard risk management approach is about protecting development gains. With increasing frequency and severity of disasters in many parts of the world, achieving MDGs and sustaining them further will be unrealistic without integrating hazard risk management approaches in different national policies and development interventions. Flawed development plans (which don't incorporate hazard risk mitigation activities) may further increase the vulnerability to hazards, rather than reducing them. Most of the MDGs touch upon areas which are closely linked to vulnerability to natural hazards such as eradicating extreme poverty and hunger, achieving universal primary education, promoting gender equality, ensuring environmental stability and partnerships for development. Recurrent disasters erode the assets and livelihoods of poor, increase the school drop-outs due to reduced family income after disasters or poorly designed buildings don't exist, access to health care is denied as structurally vulnerable hospital facilities are badly damaged in disasters. There is a case for creating holistic hazard risk management capabilities in all hazard prone countries to pro-actively mitigate future disaster risks and to respond effectively when catastrophic events happen. Attaining MDGs in a disaster resilient manner is the greatest incentive for national governments to mainstream hazard risk management approaches in development objectives and strategies. This Facility will provide a mechanism at global and national level to promote risk reducing development strategies.

WORLD BANK SECTOR STRATEGIES OR EQUIVALENT The facility is in line with the World Bank's strategic framework for mainstreaming hazard risk management in macroeconomic and sectoral development policies for good governance, sustained economic growth, and poverty reduction. The underlying approach of this multi-disciplinary and multi-sectoral Framework is to apply risk management principles in all sectors of development to protect development gains. In line with the HFA, it calls for priority action for developing national hazard mitigation strategies to support sustainable poverty reduction, integrating risk management in awareness generation,

public education and training programmes, putting in place appropriate legal framework to support regulations and mechanisms that encourage compliance of risk management principles in all sectors of development, enhanced risk management as an integral function of public sector management through capacity building programmes.

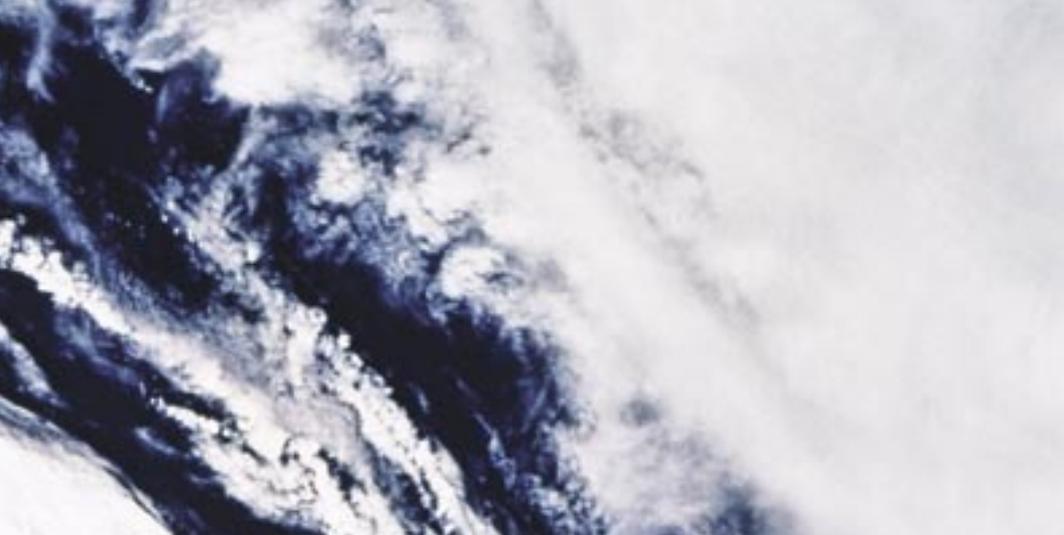
EXISTING WORLD BANK PROGRAMS AND OTHER GLOBAL PROGRAMS AND PARTNERSHIPS This initiative will build on the work of the *ProVention Consortium*, which made a substantive contribution in improving global awareness and knowledge of hazards, vulnerabilities and associated risks through systematic documentation of lessons from disaster recovery projects and action research in hazard risk management. Moving from knowledge to practice to reduce the risks in countries at high risks is an immediate priority. The Global Facility for Disaster Reduction and Recovery will assist the 86 high-risk countries mainstream hazard risk management in development strategies. The facility will enable and accelerate the implementation of the *Hyogo Framework for Action* in the World Bank's low and middle-income high-risk client countries. The facility will also promote standardization and harmonization of hazard risk management tools and methodologies among all stakeholders (UN agencies, MDBs, bilateral agencies, corporate sector and civil society organizations) at the global and regional levels.



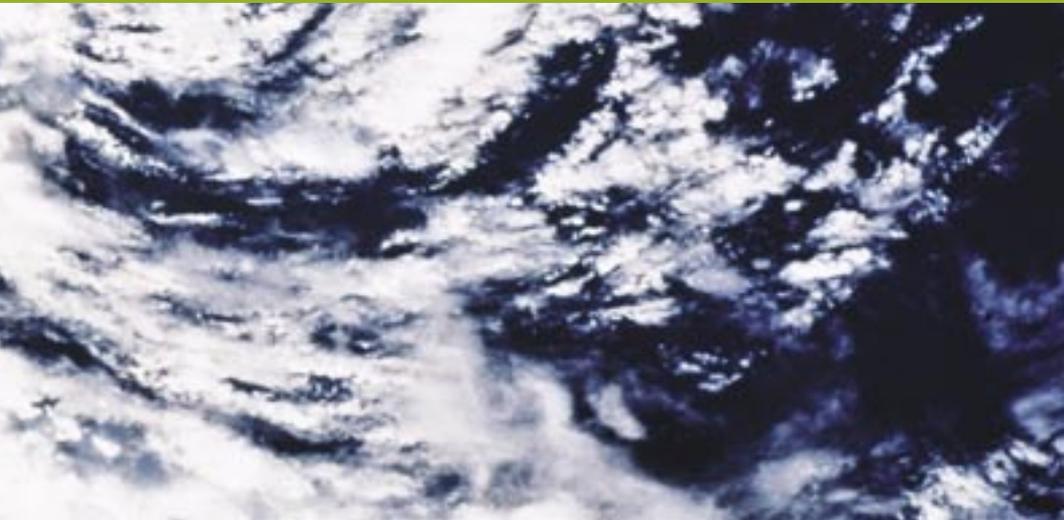


THE NEW GLOBAL FACILITY WILL COMPLEMENT AND REINFORCE REGULAR WORLD BANK COUNTRY OPERATIONS WITHOUT SUBSTITUTING FOR THEM. While prevention and mitigation strategies have been applied on a large scale in the developed world, there has not been much success in this regard in the developing countries prone to high risks due to multiple hazards. This is primarily due to absence of sound hazard risk management strategy in these countries. More analytical work (such as risk, vulnerability and capacity assessment studies, modeling catastrophes in macroeconomic projection, developing mitigation strategies and identifying priority investment opportunities with high-est returns etc) is required at the country-level to demonstrate that hazard risk is a





manifestation of flawed development plans and programmes, and disaster losses can be mitigated with ex-ante risk management. Managing hazard risks is a good practice in sustainable development and risk reduction should inform all spheres of development planning in the countries at high risks. A strategic framework is required to be put in place to support Governments develop strategies to take preventive and mitigation measures under the Poverty Reduction Strategies (PRSs) and World Bank's Country Assistance Strategies (CASs). This framework will enable leveraging country resources for ex-ante investment in prevention, mitigation and preparedness activities, particularly in low and middle-income countries.



GLOBAL-COUNTRY LINKAGE



THE PROGRAMMES SUPPORTED BY THE GLOBAL FACILITY AT COUNTRY-LEVEL WILL RELATE TO AND LINK WITH THE CAS AND WORLD BANK COUNTRY OPERATIONS.

The programme will support risk and vulnerability assessment and development of national hazard risk management strategies as an integral component of sustainable poverty reduction in the client countries. Developing credible economic estimates of the impact of disaster losses and generating evidence on disaster-poverty nexus through analytical and advisory assistance in countries at high risks will stimulate country-level environment to address risk reduction as a development priority and will help in mainstreaming this in the country assistance strategies (CASs). Disaster mitigation programmes will require technical and financial assistance which World Bank will be able to provide to client countries within the overall country resource framework. Under this Partnership tools, guidelines and practices will be developed in close consultation with World Bank Country Offices to apply hazard management principles into country assistance strategies and PRSPs. Under the new ISDR system, each country will have a country-led national platform for disaster reduction which will bring together all stakeholders at the national level. Priority areas of work and gaps to be supported from the Global Facility will be identified by the governments through the national platform and the World Bank country office will receive the requests for follow on action on these requests.

SOME OF THE KEY STAKEHOLDERS ENGAGED IN IMPLEMENTATION OF HYOGO FRAMEWORK FOR ACTION (HFA) WILL BE INVOLVED IN THIS PARTNERSHIP.

As the proposed Global Facility is primarily intended to support national capacity building efforts for disaster reduction and recovery and also catalyze global and regional partnerships in support of national programmes, the partnership is formed among some of the key stakeholders of the global system, namely,

- 1 *Chairman of the Global Platform for Disaster Risk Reduction* (an advocacy platform of the ISDR system) - in the interim, Chair of the ISDR or his nominee will be a member.
- 4 *Representative of the donor government* (Four largest contributors to the Facility, determined on a two-year cycle)
- 4 *Representatives of World Bank's client countries*
 - 2 largest IDA borrowers measured in % of GNP, determined on a two-year basis
 - 2 largest IBRD borrowers measured in % of GNP, determined on a two-year basis
- 2 *Representatives of the Private Sector/Charities/Foundations/Trusts* (two largest contributors to the Facility)
- 3 *Representatives of Regional Development Banks*
- 5 *Representatives of international organizations* (industries/academic/professional networks)
- 1 *The World Bank (Chair)*

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These organizations will be represented in a consultative group to discuss the policy matters and provide strategic advice to the Facility on deliverables. The Consultative Group (CG) will deliberate and approve biennial results and resource framework of the Facility to achieve global, regional, and local deliverables in line with overall global framework of the ISDR System where World Bank is a member. The Vice President (Sustainable Development) of the World Bank will chair the CG and largest donor government in the Facility will co-chair. The CG will meet at least once annually; however the Chair and/or the Co-chair may convene the meeting to discuss matters which need urgent attention of the members of the CG. Soon after the constitution of the CG, it will approve its Operating Procedures which will be mandatory for all members of the Group.

A HIGH-POWER CONSULTATIVE GROUP WILL PROVIDE STRATEGIC OVERSIGHT TO THE GLOBAL FACILITY The policy and strategic oversight of the Global Facility for Disaster Reduction and Recovery (GFDRR) will be provided by the CG. All decisions of the CG will be approved and/or adopted by consensus.

A *Steering Committee* consisting of all World Bank Regional Sustainable Development Directors (VPUs), Director (OPCS), Director (OPD), Director (ISDR Secretariat) and chaired by the Director (TUD) will be constituted to approve annual work programme and budgets. The CG may also nominate few organizations or experts to

the Steering Committee. Rules of business of the Steering Committee will be approved by the CG in its first sitting. The CG may decide to delegate a set of functions to the Steering Committee. There will be a Technical Advisory Group consisting of experts and professionals drawn from developed and developing countries to advise the CG on technical, quality, and monitoring issues.

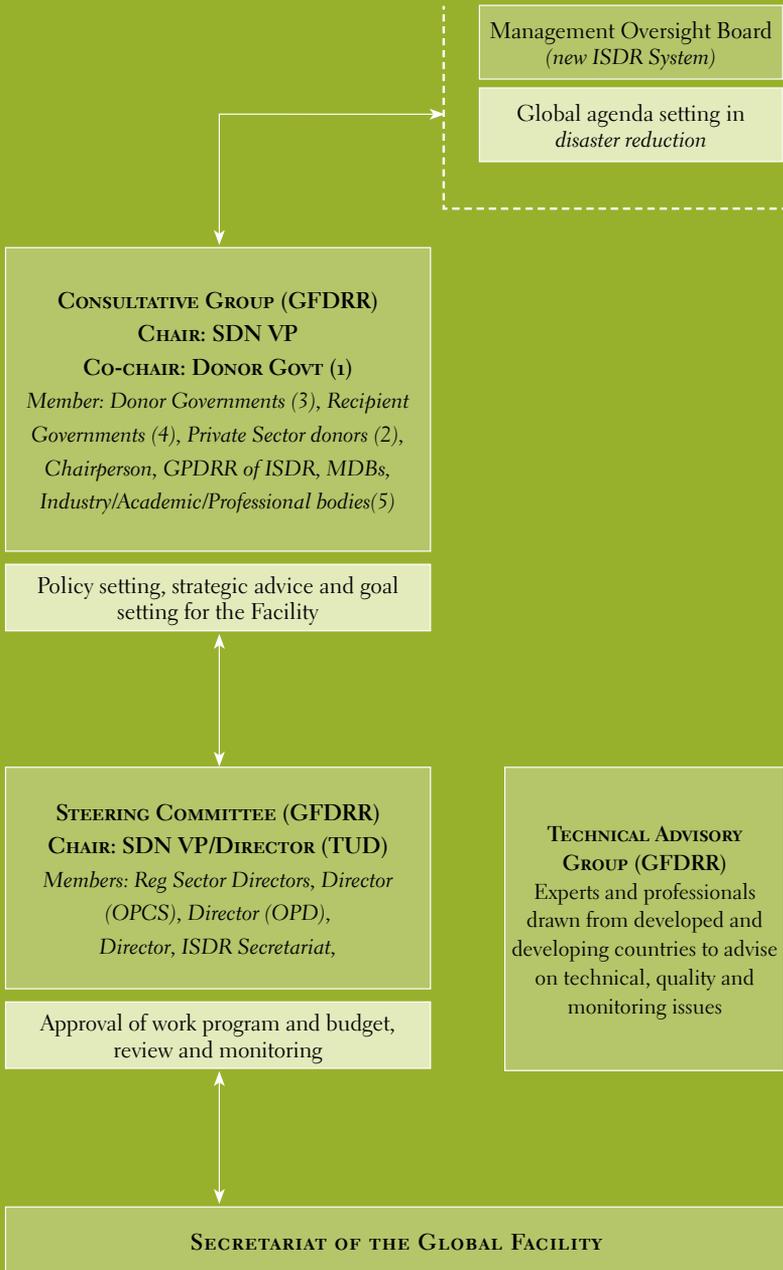
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The Global Facility will have a Secretariat to support the working of the Technical Advisory Group, Steering Committee and the Consultative Group. The Secretariat will consist of a Programme Manager, 4 Subject Matter Disaster Specialists, 1 Economist, 1 Financial Management Specialist, 1 Communication and Monitoring and Evaluation Specialist and few support staff to provide technical and administrative support to the members of the Global Facility, including the World Bank region and country teams. (See Figure 1).

The Secretariat of the Global Facility should be ideally located in a credible organization with world-class expertise both in risk reduction and risk financing and with largest outreach to client countries at high disaster risks. Risk reduction also requires multi-sectoral development expertise which only World Bank can provide. The Global Facility is expected to manage large funds for disaster reduction and recovery, and the World Bank is the most appropriate host for the Secretariat of such a Facility due to its sound fiduciary management and safeguards.

THE GOVERNANCE STRUCTURE OF THE GLOBAL FACILITY WILL ALLOW FOR SUFFICIENT (I) PARTICIPANT DIVERSITY, INCLUDING DEVELOPING COUNTRY INPUT, AND (II) LEGITIMACY (STAKEHOLDER SUPPORT), INCLUDING HOST COUNTRY CONSENT. Participation of donor governments, recipient countries from different World Bank regions, who also participate in the ISDR system, multilateral development banks, private sectors, academia and civil society organizations will make the Consultative Group a diverse group to reflect the needs and aspirations of regions of the world. Direct participation by technical experts from ISDR will ensure coherence with Global system of Disaster risk reduction. Stakeholders of the ISDR System have requested World Bank to play a greater role in mainstreaming disaster reduction in poverty reduction strategies and this draws upon the consultations that World Bank has organized with the partners during last couple of months. The Programme is a demand-driven facility and will support need-based activities in World Bank's client countries.

Figure 1_ Indicative Governance Structure of the Global Facility For Disaster Reduction and Recovery



IMPLEMENTATION

THE WORK PROGRAM DELIVERABLES OF THE GLOBAL FACILITY ARE TO BE SELECTED, MANAGED, DELIVERED AND MONITORED IN A PARTICIPATORY MANNER.

The global and regional work programme deliverables will be identified by the International Strategy for Disaster Reduction (ISDR) Sectt in consultation with the Global Facility Secretariat at the World Bank and presented to the Consultative Group (CG)/Steering Committee (SC) for approval and implementation through a number of international and regional institutions and networks. Country-level deliverables will be identified by the country-led National Platforms of ISDR in countries in consultation with World Bank country offices and presented by the World Bank country team through the Facility Secretariat to the CG for approval. ISDR Sectt manages the Global deliverables, while the regional deliverables are managed by the Regional Outreach offices of the ISDR in Africa, Latin America, and Asia. World Bank Task Teams in respective regions/countries of the World Bank will manage the country deliverables in close consultations with multisectoral national platforms of disaster risk reduction. Periodic reports will be obtained and presented to the Steering Committee for review and mid-course corrections where necessary. Annual Report on Mainstreaming Disaster Reduction will be prepared to disseminate good practices at all levels.



THE RESPONSIBILITY FOR APPROVAL, EXECUTION AND SUPERVISION OF DELIVERABLES OF THE GLOBAL FACILITY IS WITH THE CONSULTATIVE GROUP AND THE STEERING COMMITTEE. The Consultative Group/Steering Committee will approve the Programme deliverables at global, regional and national levels. ISDR Sectt will be responsible for supervision of global and regional deliverables, and World Bank task teams will be responsible for supervision of national deliverables. Execution of the programme deliverables will be undertaken by different international, regional and national institutions.

THE WORLD BANK POLICIES WILL APPLY (E.G., OPERATIONAL, PROCUREMENT, FINANCIAL MANAGEMENT, DISCLOSURE AND SAFEGUARDS POLICIES) TO IMPLEMENTATION OF PROGRAMME DELIVERABLES. World Bank policies will apply to World Bank executed and recipient government executed Programme deliverables. ISDR Sectt will apply UN policies pertaining to operational, procurement, financial management, disclosure and safeguards etc.

PARTNERS OF THE GLOBAL FACILITY CAN CONTRIBUTE TECHNICAL AND FINANCIAL RESOURCES TO THE GLOBAL FACILITY. Partners are encouraged to make financial and in-kind contribution, both staff and others, for greater ownership of the facility. Donor governments are also encouraged to provide services of specialists to the Global Facility under staff exchange programs.







SUSTAINABILITY

THE RESOURCE MOBILIZATION AND MANAGEMENT STRATEGY FOR THIS GLOBAL FACILITY WILL BE DISCUSSED IN THE FIRST MEETING OF THE CONSULTATIVE GROUP. A number of donors from among the Governments and the Private Sectors are expected to contribute to the Global Facility. Together the World Bank and the UN/ISDR will organize regular donor consultations to develop this partnership and their support to the Facility. Donor consultations are also proposed to be organized during or immediately after the Fall annual meeting 2006 of the World Bank. Next donor consultation is tentatively scheduled in the last week of September 2006 in Washington DC. A forum of private sector members is also proposed during December 2006 to develop a roadmap for building a strong partnership between the private sector community and this Facility. A significant feature of this Facility is to mobilize a Standby Financing Sub-Facility for Rapid Disaster Recovery which has support of some of the large donors.

FINANCIAL ARRANGEMENTS (2006-2016)

Estimated programme size (All Tracks): \$ 2 billion

Annual programme outlay of the Facility \$ 20 million (provisional estimate)
(Track I and II): for ex-ante risk management

The resource mobilization strategy is based on three distinct, but inter-related tracks as explained below. While Track 1 is dedicated to global and regional deliverables for which resources have been approved by the Board of the World Bank, other two tracks, namely Track 2 and Track 3, have been designed to manage multi-donor trust funds with participation from donors and corporate sectors for mostly the country-level deliverables. The resource mobilization plan will be presented to the Consultative Group (CG) for broad guidance and support from the members of the CG.

THREE -TRACK FINANCING

Track 1. Global and Regional Deliverables (knowledge management and research)
DGF Funding: \$ 5 million per year beginning in 2007 under Window 2

Track 2. Country-level deliverables (ex-ante risk management)
Donor support to be mobilized: \$ 350 million

Track 3. Standby Recovery Financing sub-facility (framework being developed)

Besides a start up contribution from UK (DFID) for Track 2 for mainstreaming work in selected countries, discussions are currently ongoing with Canada, Germany, Denmark, Australia, Japan, Netherlands, USAID, Switzerland and EU for their support to the Global Facility. The Office of Tsunami Special Envoy President Clinton has taken keen interest in the concept of this Facility.

MAINSTREAMING DISASTER RISK REDUCTION AS INTEGRAL TO POVERTY REDUCTION STRATEGY WILL BE A LONG-TERM PROCESS AND THE WORLD BANK'S ENGAGEMENT WITH THIS GLOBAL FACILITY IS THEREFORE, PROPOSED AS A LONG-TERM PROGRAM. There is adequate evidence that disaster vulnerability and poverty are intrinsically linked. The approach to disaster reduction under the Programme will be central to the World Bank's poverty reduction agenda in client countries at high risks due to multiple hazards and the success can be judged from the positive outcomes of poverty alleviation programmes in such countries. However, mainstreaming disaster risk reduction in poverty reduction is a long-term process and the World Bank's engagement with this Global Facility is, therefore, proposed as a long-term programme. It is hard to achieve anything substantial in a shorter time frame. Besides present risks, there are emerging risks which will require more sophisticated tools for risk anticipation, knowledge for risk mitigation and emergency management. This will require systematic research on emerging scenarios at global and regional levels and technical assistance to the client countries to be prepared for future risks. As the world gets smaller and smaller due to technological advancements, risk gets larger and larger. The Global Facility is envisioned to be the flag bearer of risk reduction globally with best expertise and knowledge on risks.



If you have any suggestions or questions on GFDRR-related issues, please contact the GFDRR Secretariat at the following contact details:

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