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CONSORTIUM

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The ProVention Consortium is a global partnership of governments, international organisations, academic institutions, the private sector and civil society organisations dedicated to increasing the safety of vulnerable communities and to reducing the impacts of disasters in developing countries.

ProVention Consortium Secretariat
P.O. Box 372
1211 Geneva 19
Switzerland
e-mail: provention@ifrc.org
www.proventionconsortium.org

ProVention News provides a brief update on current ProVention activities, events and recent publications or resources for organisations and practitioners active in disaster risk management. For more information on the ProVention Consortium please visit www.proventionconsortium.org.

ProVention at Kobe

The World Conference on Disaster Reduction (WCDR), to be held on 18-22 January 2005 in Kobe, Hyogo, Japan, is a milestone event to increase the international profile of disaster reduction and promote the integration of risk reduction into development planning and practice.

Many ProVention Consortium partners are involved in the WCDR, participating in the intergovernmental process, thematic sessions and public forum. ProVention is organising a specific session with partner International Financial Institutions (IFIs), including Asian Development Bank, Caribbean Development, Inter-American Development Bank and The World Bank, to examine the integration of disaster risk management into development financing and the role of IFIs. This session, due to take place on 20 January, will consider the approaches, experiences and activities of IFIs in mainstreaming disaster risk into development policy and planning.

ProVention is also involved in a number of other thematic sessions at the Conference, including a presentation of the Measuring Mitigation project results at a session on cost-benefit analysis for disaster risk management, a presentation of the Natural Disaster Risk Hotspots analysis linked to global risk indicators and a synthesis of the Learning Lessons from Disaster Recovery study to be presented at the launch of the International Recovery Platform. In addition, a second round of ProVention Applied Grants for young researchers of developing countries will be launched in the Public Forum on January 22. A ProVention Exhibition Booth, with information on ProVention activities and resources, will be open in the public forum throughout the duration of the Conference. ■

PROJECTS

Measuring Mitigation: Methodologies for Assessing Natural Hazard Risks and the Net Benefits of Mitigation

As the human and financial costs of disasters rise, there are increasing demands for evidence that mitigation 'pays'. Until this proof exists, many development organisations remain reluctant to pursue risk reduction as a key objective, or even to protect their own projects against potential hazards.

An on-going ProVention project has begun to explore how such evidence could be obtained by integrating natural hazard related risks concerns into the design and evaluation of potential projects using standard appraisal and evaluation tools. Phase I of the project has entailed a detailed review of existing standard tools already used by development organisations in designing projects – environmental appraisal, economic appraisal, vulnerability and social analysis, risk assessment and logframe analysis – and in evaluating them. This review has indicated that existing tools could easily be extended to indicate projects at risk from natural hazards and the net benefits of related opportunities for mitigation. There is nothing intrinsically difficult about either appraising risks or monitoring and evaluating mitigation measures if these tasks are approached thoughtfully and knowledgeably, and resourced adequately.

Provision of appropriate methodological tools is not sufficient in itself, however, to ensure improvements in the management and analysis of risk. The Phase I review has identified a number of further critical

factors that have to be addressed, in particular the securing of long-term policy commitment to risk reduction, as reflected in broad policies, objectives and priorities of both governments and aid agencies.

Phase II of the Measuring Mitigation project will build on the findings of Phase I, moving from research to the development of practical tools supporting mainstreaming of risk. It will involve the development of a series of twelve guidance notes for use by organisations and practitioners in adapting various existing project appraisal and evaluation tools, and related guidelines for developing broader country and sectoral strategies, to take risks emanating from natural hazards into account and analyse related risk reduction opportunities. Two more detailed guidelines will also be developed, covering assessment of the economic and financial returns to mitigation and evaluation of impacts. Phase II is scheduled to commence in early 2005.

Phase I outputs have recently been posted on the ProVention website (www.proventionconsortium.org/publications.htm). These include a policy brief and a synthesis report as well as a 150 page full report of the Phase 1 findings. Phase 1 was undertaken with the financial support of the UK Department for International Development (DFID). ■

Tools for Community Risk Assessment and Action Planning

Following the ProVention workshop on 'Social Vulnerability and Capacity Analysis', held at IFRC in May 2004, a number of follow on activities are underway with an aim to strengthen community risk assessment and participatory action planning for disaster reduction. Activities include the production of a web-based register of community risk assessment methodologies (including guidance notes and matrix); development of a compendium of community risk assessment applications/case studies (with search engine) and the creation of an active (virtual) network of community risk assessment practitioners and academics. The project is benefiting from broad participation with much valuable contribution of methodologies, case studies and resources from IFRC, NGOs and regional academic centres. The project team, lead by partners at Cape Town University and Oberlin College, would welcome any additional materials on community risk assessment and participatory action planning for disaster reduction to ensure that the register and compendium is complete. ■

Launch of Global Natural Disaster Risk Hotspots Analysis

The ProVention Hotspots Project, led by Columbia University and the World Bank, is a global disaster risk assessment aimed at improving the identification of geographic areas of highest disaster risk and, thus, prioritisation of disaster reduction efforts. The global assessment evaluates risks of mortality and economic losses associated with six major hazards: drought, floods, windstorms, earthquakes, landslides and volcanoes.

In the Hotspots analysis, risks of mortality and economic losses are assessed as a function of the exposure of population and GDP-per-unit-area to the six hazards and of the historical vulnerabilities of those elements to each hazard in different regional and country income classes. Risks of losses are assessed on a fine-resolution grid, so that the analysis is independent of national boundaries. Risks are assessed for each hazard individually and then for all hazards together.

Areas of highest relative risk are those with some combination of high population density or concentrations of economic wealth, high hazard event frequency and high relative historical loss

rates per event. The most geographically extensive high risk areas globally are those associated with drought and flooding.

The analysis was presented and discussed at an international workshop in Oslo, Norway in October 2004, attended by a diverse group of experts and potential users including donor policy-makers, disaster data analysts and risk management practitioners. Participants stressed the crucial value of risk indicators for evidence-based identification of areas in which disaster risk management measures are most needed. The workshop also catalysed interest and support for more collaboration and concurrent action on risk indicators, bringing together key risk assessment and disaster data initiatives within a global programme.

The Hotspots analysis will be presented at the World Conference on Disaster Reduction in January 2005 where the subject of risk indicators and risk indexing will be the focus on the one of the Thematic Sessions. The analysis, case studies and maps will be posted on the ProVention website directly after the Conference. ■

ProVention International Conference at Swiss Re Centre for Global Dialogue

As part of its on-going work to reduce disaster risk in developing countries through financial risk transfer mechanisms and enhanced private sector participation, ProVention hosted an international conference, 'Solidarity and Opportunity: The Potential of Insurance for Disaster Risk Management in Developing Countries' at the Swiss Re Centre for Global Dialogue in Zurich on October 21, 2004. The Conference brought together some 80 participants, including risk managers, insurers, development practitioners, disaster managers, government donors and policy-makers, from a range of 17 industrialised, emerging and developing countries.

The Conference was opened by Ambassador Walter Fust, Director General of the Swiss Agency for Development and Cooperation (SDC), and the morning sessions set the stage by defining the issues, addressing the need and responsibilities for private sector involvement and innovative solutions in disaster risk management whilst acknowledging the challenges for business investment. The

afternoon concurrent breakout sessions focused on technical issues in micro-insurance, innovative solutions for risk transfer and partnerships linking the private and public sectors and global and local stakeholders. Contributions were made by a wide range of organisations, including Swiss Re, Munich Re, Partner Re, Interpolis Re, International Federation of Red Cross and Red Crescent Societies, World Food Programme, World Bank, Disaster Mitigation Institute (India), and Opportunity International Network (Malawi).

The conference underlined the need for financial risk transfer to help economies manage risk, minimise losses and provide safety nets for communities affected by disasters. Recent initiatives and case studies showed the potential benefits of a broad range of products with micro-insurance and weather-based derivatives in particular appearing to offer the greatest potential for risk transfer mechanisms in developing countries.

A lack of a risk management culture in many countries and limited understanding of the uses and benefits of insurance hampers product development and private sector involvement. Local insurance expertise matched by political will to establish regulatory frameworks for insurance provision needs to be developed. Private insurers also underlined the business risks present in many politically and/or economically unstable markets.

The conference debated the opportunities and challenges of cross-sector partnerships, acknowledging that mutually beneficial partnerships, with active involvement of the private sector, are necessary for the implementation of insurance for disaster risk management in developing countries. However, the definition of a partnership concept must be clear to all involved, which can be challenging between organisations and sectors with different goals, cultures and operational structures.

International organisations active in disaster risk management can play a key role in helping to forge links between private sector and public sector actors in emerging and developing economies.

Although clearly interested in developing new products and markets in developing countries, the currently risk-averse insurance industry is not able to take an active lead in these markets. The impetus to move the initiative forward therefore lies at present with the international development and disaster risk reduction community, as well as national and local governments. The insurance sector underlined the importance of dialogue but the need now for specific business cases that illustrate opportunities, challenges, benefits and costs. The conference concluded with a range of possible follow-up projects and activities to be pursued by the ProVention Consortium and its partners to build on the momentum of the event. ■

ProVention Workshop on Micro-Insurance

Motivated by broad interest from participants at the insurance conference (see previous article), the ProVention Consortium organised an international workshop, 'Experiences in Micro-Insurance', held in Zurich at the Swiss Federal Institute of Technology (ETH) on October 22, 2004. The workshop brought together a unique combination of 35 professionals with knowledge, experience and interest in micro-insurance, ranging from global reinsurers to local NGOs.

The informal coping strategies used by low income households in developing countries to manage risks often offer insufficient protection against the financial shocks of disasters. Such communities would benefit from financial risk transfer and sharing mechanisms, which can be provided through micro-insurance. This workshop focused on the use micro-insurance as local-level risk transfer within the context of natural disaster risk reduction.

Successful micro-insurance has so far mostly been achieved through partnerships with self-managed community groups. Micro-insurance must be guided by market demand, with community groups often best poised to capture and understand the needs of its members, as well as being able to effectively address challenges such as adverse selection and moral hazard. Micro-insurance provision should be implemented within a broader context of disaster risk reduction, both by linking premium rates with individual levels of risk, as well as through partnerships with community risk management programs and incentives for mitigation.

Partnerships can range from strict contractual agreements to broad cooperative dialogue, so long as all involved understand the objectives and their roles and responsibilities. Micro-finance institutions (MFIs) have established access to low income households, but often lack the expertise and experience for micro-insurance provision. MFIs and NGOs are well placed, in partnership with community groups, to research the demand for micro-insurance services, including desired coverage limits and willingness to pay. The international community can offer stability and a forum for partner dialogue, as well as help facilitate links with global markets and (re)insurance firms. Governments need to set the regulatory framework for micro-insurance services, especially enabling and supporting the participation of the commercial insurance industry.

The private insurance sector can provide the core expertise and financial capacity needed to develop insurance products in developing countries. Business cases for micro-insurance products require sound data, with a key challenge for gaining commercial investment being the small premium volumes and high

administrative costs associated with such schemes. It will likely be necessary to pool multiple micro-insurance schemes to increase their financial attractiveness, as well as diversify the overall portfolio, for global insurance participation. The experience of Interpolis Re, whose activities with micro-insurance in developing countries is based on historical solidarity with agricultural mutuals, social responsibility and future market considerations, serves as a compelling example of insurance sector participation and investment.

A range of suggestions for potential next steps to further pursue the micro-insurance initiative, including various proposals for case studies and research, development of working groups, better understanding and enabling the roles of MFIs and possible micro-insurance institutions, as well as fostering more effective partnerships, were made at the conclusion of the workshop. ProVention and its partners are currently establishing a strategy to pursue these recommendations.

The insurance conference proceedings and micro-insurance workshop report are available on the ProVention website (www.proventionconsortium.org/files/ZH_conference/insurance.pdf) ■

NEW PUBLICATIONS

Thirty Years of Natural Disasters 1974 - 2003: the Numbers

This CRED report, supported by ProVention, reviews and analyses the occurrence and the consequences of natural disasters over the last 30 years, a period when data quality and coverage has improved substantially. Over this period, according to CRED's EM-DAT database, 6,367 natural disasters killed more than 2 million people. A cumulative total of 5.1 billion individuals were affected. These same disasters caused US\$ 1.4 trillion worth of damages.

The report begins with an analysis of disaster data and its reporting and explains how disasters have evolved over time and

where they occur most frequently. It discusses how people are affected by different types of disasters in various regions and draws links between poverty, vulnerability and disasters. In tallying the costs, the report draws some important conclusions about how disasters affect the poor and vulnerable as compared to those populations with a higher income. Some interesting trends regarding inequitable distribution of resources are revealed when comparing which disasters attract the most donor attention. The report concludes with a look towards the future and a call to action. The publication contains

two exhaustive Annexes. The first Annex provides maps showing global disaster data over the last 30 years by hazard type. The second Annex provides statistical information per country on the total number of disasters and mean annual number of victims for all hazards combined and by hazard type. Also data on economic damage are provided.

This report is published by *Presses universitaires de Louvain* and can be ordered from duc@ciaco.com. ■

Preventable Losses: Saving Lives and Property through Hazard Risk Management

By Christopher Pusch, published October 2004, The World Bank Disaster Risk Management Working Paper Series No. 9. The full report is available online at World Bank's Web page <http://www.worldbank.org/hazards/>.

The Working Paper provides a comprehensive risk management framework for The World Bank's Europe and Central Asian region that integrates risk assessment, emergency preparedness, disaster risk reduction, and catastrophe risk financing with the objective of reducing client countries' economic and social exposure to natural hazards on an ex ante basis. The strategic framework presented in the Paper serves as the conceptual basis for the design of a new approach to disaster risk mitigation operations currently under preparation or implementation in the Kyrgyz Republic, Poland, Romania, the Russian Federation and Turkey. ■

Learning Lessons from Disaster Recovery: The Case of Honduras, The Case of Bangladesh, The Case of India, The Case of Mozambique, The Case of Turkey, The Synthesis Report

World Bank Disaster Risk Management Working Paper Series

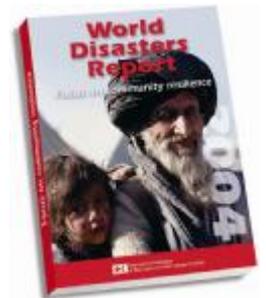
This full set of reports, due to be published by The World Bank in January and February 2005, are part of a series of studies initiated by ProVention to learn lessons from post-disaster recovery operations, drawing on the country case study experiences of major natural disasters, including Bangladesh floods (1998), Hurricane Mitch in Honduras (1998), Turkey earthquake (1999), Mozambique floods (2000 and 2001), and Gujarat earthquake India (2001). The reports examine four main areas: policies related to disaster recovery; systems for disaster recovery; resources for recovery; and impacts of recovery efforts. The Case of Honduras is published and available on line. (www.proventionconsortium.org/files/Recovery/Honduras.pdf).

World Disasters Report 2004

The World Disasters Report 2004 was launched globally on the 28 October 2004. In its 12th year of publication, the report focuses on community resilience. The resilience and resourcefulness of disaster-affected communities has struck many aid workers on the ground – for example, the ability of millions of Afghans or sub-Saharan Africans to cope with year-upon-year of chronic drought and conflict. And yet this native resilience is all too often overlooked by external agencies rushing in to help – and to be seen to help. Evidence suggests that everyday threats to livelihoods are a greater concern to most poor communities than ‘one-off’ disasters. Meanwhile, local consensus and cooperation are as important in protecting communities as concrete walls. The report argues that a more developmental approach to creating disaster resilience is needed, which puts communities in charge of defining their needs and crafting the right solutions.

The report examines these issues in the light of recent disasters and ongoing crises around the world – from December’s shattering earthquake

in Iran to typhoon-prone communities in the Philippines, from communities in India affected by floods, drought and poverty to those at risk in the sprawling conurbations of Africa. The report analyses the key principles behind community-based resilience to disasters – whether slow- or quick-onset, whether in rural or urban settings. At the root of the analysis lies the belief that both disaster managers and development planners must seek to build resilience ‘in the round’ – in such a way that communities can cope with the full range of shocks – natural, economic, social or political – which may befall them.



This report is published by the *International Federation of Red Cross & Red Crescent Societies* and can be ordered on line: www.ifrc.org/publicat/wdr2004/order.asp. ■

PROVENTION PARTNER IN THE SPOTLIGHT

ProVention News includes a profile of different partners of the Consortium. This edition focuses on the Organization of American States (OAS), a key political organisation active in the Americas in identifying, designing, and implementing policies and programmes that reduce disaster vulnerability.



Organization of American States

Strategy

The Organization of American States (OAS) uses the Inter-American System to address disaster reduction issues of its member states. The OAS General Assembly has created the Inter-American Committee for Natural Disaster Reduction (IACNDR)¹ as the principal policy forum to discuss natural disaster reduction issues in the Americas, and it has adopted the Inter-American Strategic Plan for Policy on Vulnerability Reduction, Risk Management and Disaster Response (IASP). The OAS General Secretariat actively supports implementation of the IASP by the member states to reduce the loss of human life and property, improve emergency preparedness and response, and facilitate financial protection from hazard risk. The Committee on Hemispheric Security (CHS) of the OAS Permanent Council leads the inter-member state discussion of natural hazard management issues. This hemispheric policy approach is unique in the global context, and it is complemented by technical cooperation, capacity building and technology transfer activities at all levels through the OAS General Secretariat.

Structure

The OAS is composed of the 35 independent nations of the hemisphere to strengthen cooperation and advance common interests, and serves as the region's main forum for multilateral dialogue and concerted action. At the core of the OAS mission is a commitment to democracy, peace and security. The OAS works to promote good governance, strengthen human rights, foster peace and security, expand trade, and address the complex problems caused by poverty, drugs and corruption. Nations from around the world serve as permanent observers, supporting the dialogue and activities of the Inter-American System.

The program of natural hazard risk management is in the General Secretariat's Office for Sustainable Development and Environment (OSDE). Also under

the OAS umbrella are several specialised agencies including the Pan American Health Organization (PAHO) and the Inter-American Institute for Cooperation on Agriculture (IICA), both of which promote disaster reduction efforts.

Activities

The General Secretariat has been working for over three decades with individual member states and sectors, as well as with inter-American sector organisations (agriculture, education, health, telecommunications, transportation, and tourism), to reduce vulnerability of economic and social infrastructure to natural hazards through policy and technical cooperation initiatives. Most recently, the OAS has undertaken regional programs in the Caribbean on strengthening national capacity to use development activities to reduce vulnerability to climate hazards, and hemispheric programs on disaster reduction of university campuses in the Americas and for small business continuity in collaboration with the private sector. It is also collaborating with the International Federation of the Red Cross and Red Crescent Societies (IFRC) on the Vulnerability and Capacity Assessment (VCA) Toolkit for Latin American and Caribbean regions.

Other OAS projects with member states include natural hazard risk reduction and adaptation to climate change; assisting with vulnerability assessments and hazard mapping and mitigation; establishing safer building practices, helping countries cope with damage, and strengthening insurance industries; implementing natural hazard-related components of development projects; and supporting regional and community-level capacity building for risk management. These activities are being reviewed and reprogrammed as needed in the wake of the damage caused by the 2004 hurricane season.

Current issues of importance to the OAS as reflected in the deliberations of the CHS include (a) vulnerability assessments in development planning

¹ Represented in the IACNDR are the Inter-American Development Bank (IDB), Pan American Health Organization (PAHO), Pan American Institute of Geography and History (PAIGH), Inter-American Institute for Cooperation on Agriculture (IICA), and Inter-American Agency for Cooperation and Development (IACD), and by invitation, the United Nations, World Bank, International Committee of the Red Cross, Pan American Development Foundation (PADF), Inter-American Defense Board (IADB), Caribbean Disaster Emergency Response Agency (CDERA), and Coordination Center for the Prevention of Natural Disasters in Central America (CEPRENAC).

and financing as part of mainstream lending as well as stand alone mitigation and reconstruction projects; (b) risk reduction as a cross-cutting theme to be addressed in sector policies rather than a stand-alone issue dissociated from mainstream sector development; (c) environmental management of ecosystems as a critical partner in vulnerability reduction in all landscape settings; and (d) natural hazard information including extreme climate events and climate variability information for small island developing states and continental coastal areas as a public good; and vulnerability reduction of the poor outside the context of cost-benefit analysis, loans, and dedicated international cooperation budgets.

Of equal concern are the thematic areas of public participation, governance, accountability, and responsibility in institutional and policy frameworks for risk reduction. In this regard, the OAS is pursuing a more open and prominent dialogue on

the role of non-governmental organisations in disaster relief, reconstruction, and rehabilitation; technical support for mutually acceptable norms for post-disaster reconstruction between the affected country and the international community; and the role of the uniformed services in emergency management and risk reduction. Finally, through the IACNDR, OAS Member States are being briefed on the implications and uses of disaster risk indexing initiatives such as the United Nations Development Programme Disaster Risk Index, World Economic Forum Environmental Sustainability Index, Inter-American Bank Indicators for Disaster Risk Management, and the ProVention/World Bank Hotspots Project.

For further information on the OAS's activities, see www.oas.org/usde or contact Stephen Bender (bender@oas.org), Chief, Division III of the OAS's Office for Sustainable Development and Environment. ■

The ProVention Secretariat would like to send season's greetings to all readers and ProVention partners worldwide with best wishes for a safe and peaceful new year.