

# WHAT DOES “RESILIENCE” MEAN FOR DONORS?

An OECD factsheet

## INTRODUCTION

Over the last two years, the concept of “resilience” has achieved significant attention on the international stage. Why? Because there is a growing recognition that different types of risks – violence and conflict, climate change, disasters, global shocks, and other risk factors such as urbanisation and ageing populations – are inter-connected. Working in silos no longer makes sense - if we are to deal with these risks properly, donors, development actors, and states will need to work more closely together.

How can “resilience” help? Resilience offers an excellent rallying point to connect the different policy communities working on different types of risks. Resilience as a common goal has the potential to bring together humanitarians, stabilisation and development actors; actors working on disaster risk reduction, conflict prevention and climate change; and others working on social, economic and institutional development. These actors will be able to join forces to understand how risks can be identified and addressed, and to strengthen the resilience of those people and systems (the “layers”) who need it most – individuals, communities, and developing states and their institutions.

And yet, it has proven difficult to systematically translate the numerous international commitments to resilience, and the ongoing goodwill, into better working practices on the ground.

This fact sheet, drawn from the results of an online brainstorming survey (Annex A) and a literature review, aims to clarify what resilience means in practice. It will also outline how the OECD will support donors to deliver effective resilience programming in the future.

## SO, WHAT IS RESILIENCE?

Resilience is most often defined as *the ability of individuals, communities and states and their institutions to absorb and recover from shocks, whilst positively adapting and transforming their structures and means for living in the face of long-term changes and uncertainty.*

Often, these three capacities are used at the same time. For example, a coastal community may use its absorptive capacity to protect livelihoods against annual flooding, using knowledge passed down from generation to generation. It can also use its adaptive skills to change how it cultivates crops and manages drinking water resources as a response to growing climate change-related water salinisation. Finally, the community can transform itself by seeking alternative income sources and/or by strengthening conflict resolution mechanisms.

Building resilience in a developing country context, therefore means enhancing the capacity of individuals, communities and states to absorb, adapt and transform to the shocks and risks that they should *normally* be expected to deal with.

## HOW DOES RESILIENCE LINK UP WITH RISK?

OECD research has shown that the most effective way to manage risks and shocks is to break them down into layers. This will allow these risks and shocks to be managed at the most appropriate level.

The research shows that we should not expect individuals to deal with catastrophic risks, such as major natural disasters, by themselves. Equally, the analysis discourages government policy that aims to remove

all risk from individuals and communities, as evidence, particularly in the agricultural sector, shows that this creates perverse incentives and can encourage overly risky behaviour. Instead we need a more holistic risk management approach that focuses on both the interactions between different types of risks, and between the strategies designed to manage those risks.

How can we do this?

By building the policies, strategies and tools that **empower individuals, communities and states to effectively manage their own layer of risk.**

In practice, this means that the individual should be provided with the tools and conditions – including through market mechanisms – that s/he requires to manage those risks that are frequent but not too damaging, such as theft of assets, illness or injury, or small variations in crop yields.

The community should be provided with the tools and conditions they require to manage risks that are not too damaging but require collective responses, such as land disputes, localised air and water pollution and disease outbreaks.

Catastrophic risks, those that can result in significant losses for a great number of people, are best managed by tools of the state, or even regionally and globally. These risks include major natural disasters, terrorism, cyber risks, financial system failures, overfishing, ocean acidification and transnational crime. Building resilience involves providing the tools and conditions for the state to be able to manage these types of risks effectively.

Taken together, these tools and conditions for individuals, communities and states are known as the components of resilience.

1. Refer to the Further Reading section at the end of this factsheet

## COMPONENTS OF RESILIENCE – FOR EACH LAYER OF RISK

Understanding the components of resilience for each layer of risk – individuals, communities, and states and their institutions - is the first step in helping donors support effective resilience programming.

In this factsheet you will find a useful and practical set of tools and conditions from which donors and their partners can select the components of resilience that are appropriate for each context. Different components may be more important in different contexts, and other components may need to be added to these lists in specific contexts.

### WHAT DOES AN INDIVIDUAL NEED TO BE RESILIENT?

The components of resilience for an individual include:

- risk awareness
- health, food security, shelter and access to basic services
- economic opportunities
- access to risk financing
- social capital: connections to neighbours and family and participation in society
- personal strength: organised, self-motivated, able to adapt
- physical security
- spare capacity: for example savings and being prepared for shocks

### WHAT DOES A COMMUNITY NEED TO BE RESILIENT?

The components of resilience for a community include:

- risk awareness
- leadership and organisation
- social capital: cultural cohesion and trust, common identity, participation, collective action
- appropriate infrastructure and services
- economic opportunities and livelihood diversity
- natural resource management
- conflict prevention and resolution mechanisms
- connections with local authorities and external actors
- equitable land usage systems
- spare capacity: prepared, and with adequate response capacity and support systems

### WHAT DO STATES AND INSTITUTIONS NEED TO BE RESILIENT?

The components of resilience for a state and its institutions include:

- risk awareness
- territorial security
- physical and psycho-social safety of citizens
- economic security
- ecological security
- social and political stability
- external reputation and influence

- legitimacy: good governance and rule of law, participation, accountability and responsiveness, corruption control
- domestic revenue (tax) collection
- energy security
- innovation
- long-term planning
- leadership
- spare capacity: crisis response capacity

### WHAT IS THE ROLE OF AID IN BUILDING RESILIENCE?

The role of aid – humanitarian assistance, development co-operation, climate change adaptation, and other donor government efforts – is to help empower individuals, communities and developing nations with the tools and conditions they need, the components of resilience, to make optimal decisions about the risks they face.

We need to develop a cross-donor effort – inside donor organisations and jointly between different donors – focused on strengthening the components of individual, community and state resilience to all risks, no matter what their origin.

This cross-donor effort is not aimed at changing how donors are set up, or inventing new funding tools. Instead we need to help donors understand how all their programming efforts in a particular country or context can work together towards building overall resilience, by matching the appropriate donor tools to each of the risk layers. In practice this could involve synergies among the following simultaneously executed programmes:

- humanitarian funding to programmes that increase the individual's risk awareness and protect social capital
- stabilisation programmes that work to improve adaptive capacity through community conflict resolution mechanisms and leadership
- climate change adaptation programmes that help transform communities through better natural resource management skills
- development programmes that ensure the resilience of health, education and social protection systems, even in times of major crisis

### HOW CAN THE OECD HELP?

To help donors to deliver effective resilience programming in the future, the OECD will:

Help different donor groups **understand how risks are interconnected**, and how to prioritise the risks to address in each context. This will include providing simple but useful guidelines on how to **assess risks together** – across policy groups, across donors and with states and local people – by adapting systems that donors use to assess risks in their own home countries.

**Provide advice on the appropriate incentives** to ensure that the results of joint risk assessment are used to develop the appropriate policies, strategies and aid programmes to build resilience across the different risk layers.

Collect and **disseminate best practices** in strengthening each of the components of resilience.

Develop **guidelines for communicating about risk**, and for communicating about the results of resilience programming.

The results of this work will be available during 2013.

## ANNEX A: THE BRAINSTORMING SURVEY

What is critical to ensure that an individual, a community, or a developing country and its institutions are resilient? To answer this question, the OECD carried out a survey in January 2013 to facilitate a collective brainstorming effort.

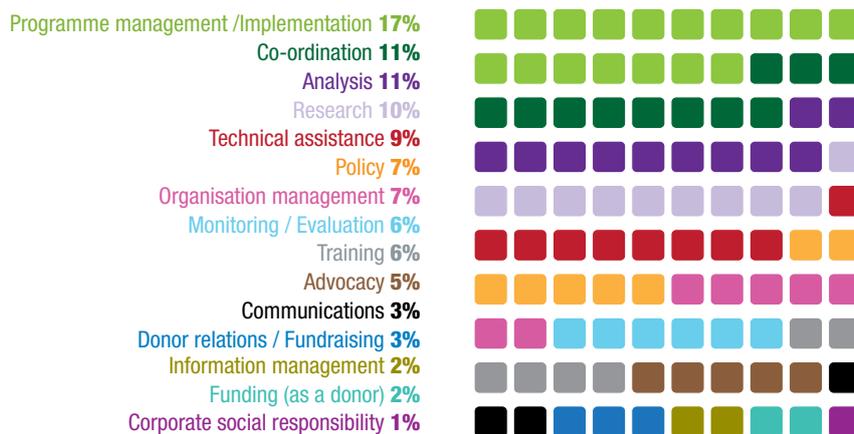
Responses were analysed and synthesised, and supplemented with a literature review, to provide the components of resilience in this factsheet.

This was an online survey. Of the 675 people who accessed the survey, 227 filed complete responses. These people came from diverse fields of work, from different types of organisations and professions, and were almost equally split between field and headquarters based staff.

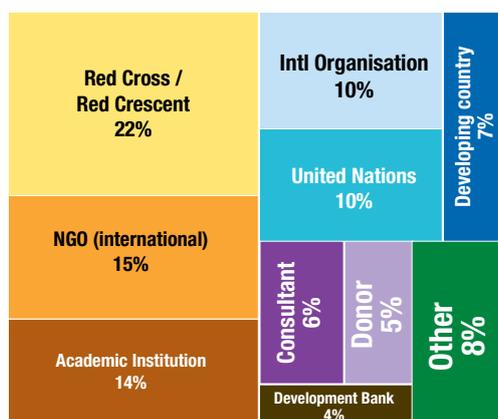
### MY MAIN FIELD OF WORK IS:



### MY DAY TO DAY WORK IS:



### MY ORGANISATION IS:



### I WORK IN:

