

Development Co-operation Directorate
Development Assistance Committee**DAC Working Party on Development Finance Statistics****A Proposal to Establish a Policy Marker for Disaster Risk Management (DRM) in the OECD DAC
Creditor Reporting System (CRS)****Informal meeting, 24 - 25 April 2014, Paris**

This note presents a proposal for establishing a policy marker for disaster risk management (DRM), prepared by the World Bank, the Global Facility for Disaster Reduction and Recovery (GFDRR) and the UN Office for Disaster Risk Reduction (UNISDR) with support from a number of DAC members. Members will be first invited to express their views on i) the need to monitor DRM mainstreaming and whether they support introducing in the CRS a DRM policy marker for that purpose; and ii) whether the proposal contains sufficient elements for elaborating the marker definition, eligibility criteria and examples of typical activities. Depending on members' views, the time schedule and approval and implementation process may also be discussed. The Secretariat's intervention will focus on two issues – possible quantitative targets for financing DRM and overlap between the DRM and adaptation markers.

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A Proposal to Establish a Policy Marker for Disaster Risk Management (DRM) in the OECD DAC Creditor Reporting System (CRS)

March 20, 2014

This proposal has been developed by a Technical Advisory Group (TAG) comprising the World Bank's Disaster Risk Management Practice Group & Global Facility for Disaster Reduction and Recovery (GFDRR), United Nations Office for Disaster Risk Reduction (UNISDR), and representatives of several DAC members. The proposal is based on the outcomes of TAG meetings held in Geneva (January 28-29, 2014) and Paris (March 13, 2014), as well as several consultations with donors, and DRM and aid statistics experts. This group will continue to work closely with WPSTAT and other partners in developing the reporting directives as well as providing technical and capacity building support for operationalizing the DRM Marker.

Background

1. The impact of natural disasters¹ is escalating and is felt directly, through loss of lives, livelihoods and assets, and indirectly, through damage to economic production and society, and the diversion of funds from development to emergency relief and response. The economic losses from disasters over the past 30 years are estimated at US\$3.5 trillion².
2. The practice of disaster risk management³ (DRM) is increasingly recognized as a defining characteristic of resilient societies, and demonstrates a strong imperative for being integrated—or 'mainstreamed'—into all aspects of development. There is a growing consensus among the international development partners of the need to build a culture of resilience by investing in ex-ante measures for reducing disaster risks. At the Rio+20 conference, world leaders called for 'disaster risk reduction (DRR) and building resilience to disasters to be addressed with a renewed sense of urgency in the context of sustainable development and poverty eradication and, as appropriate, to be integrated into policies, plans, programs and budgets at all levels and considered within relevant future frameworks'⁴.

¹ Adverse events caused by natural hazards such as earthquake, floods, cyclones, tsunami and droughts causing significant physical damage or destruction, loss of life, or drastic change to the environment.

² The Sendai Report – Managing Disaster Risks for a Resilient Future, 2012, The World Bank

³ Disaster Risk Management: Processes for designing, implementing, and evaluating strategies, policies, and measures to improve the understanding of disaster risk, foster disaster risk reduction and transfer, and promote continuous improvement in disaster preparedness, response, and recovery practices, with the explicit purpose of increasing human security, well-being, quality of life, resilience, and sustainable development (IPCC 2012).

⁴ The Future We Want, 2012, UN General Assembly Resolution 66/288



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3. While the Hyogo Framework for Action (HFA) and the High Level Forum on Aid Effectiveness in Busan have called for increased investment in disaster risk reduction measures, little analyses exist on the profile of such investments and their impacts. Understanding where and how risk is generated, who bears it, and how it can be mitigated have become central themes of the Global Assessment Reports on Disaster Risk Reduction, and the consultations leading to the post-2015 development agenda and the next international framework on disaster risk reduction (HFA2).

Challenges in Tracking DRM Mainstreaming in Development Assistance

4. There have been several studies attempting to measure DRM mainstreaming in development assistance. Most of them have reported lack of adequate DRM classification and information as challenges. A major bottleneck in estimating the aid flows intended for DRM mainstreaming is the lack of standardized guidelines for recording such investments. This is due to the fact that DRM has not yet been identified as a stand-alone or crosscutting theme in most donor agencies' accounting and reporting systems. Some donors may have been using their own definitions/criteria for such reporting which is not amenable to aggregation or analysis across donors. The HFA Mid-Term Review has also called for improved standard-setting and development of tools and guidelines for DRM-sensitive planning and budgeting.

5. The quality of the available data also highlights the complexity of measuring DRM mainstreaming in development assistance. At present, the OECD Creditor Reporting System (CRS) allocates aid activities to one sector (purpose) code as per the reporting directive. It does not capture the DRM co-benefits embedded in the sectoral development aid. This results in under-reporting of actual investments in DRM mainstreaming (since an aid activity that has disaster-resistant elements, for example schools built to withstand seismic shocks or serve as emergency shelters, and agriculture programs that are drought resistant, will be captured under education and agriculture sector codes respectively, and their DRM co-benefits will go unreported).

6. Moreover, the existing CRS purpose code for 'Disaster prevention and preparedness (74010)'⁵ is classified under Humanitarian Aid⁶ (700) which, by its definition, does not cover the wide spectrum of DRM activities and considerations integrated into sectoral development aid. This also fuels the misperception that natural disasters are an *ex-post* humanitarian concern

⁵ This CRS Code covers "Disaster risk reduction activities (e.g. developing knowledge, natural risks cartography, legal norms for construction); early warning systems; emergency contingency stocks and contingency planning including preparations for forced displacement."

⁶ Within the overall definition of ODA, humanitarian aid is assistance designed to save lives, alleviate suffering and maintain and protect human dignity during and in the aftermath of emergencies.



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and probably impacts adversely on *ex-ante* DRM mainstreaming investments, which is not only an essential element of development planning, but is also cost-effective in the long-term.

Opportunities

7. This proposal makes a case for instituting a policy marker in OECD CRS for tracking DRM mainstreaming in development assistance and explains how such a marker could enhance development planning and effectiveness, contributing to resilient growth.

8. Establishing a policy marker for DRM would address most of the challenges involved in accurately tracking DRM integration in development assistance. Such a marker would encourage the mainstreaming of DRM into development planning, since it will necessitate the review of every aid activity through a ‘DRM Lens’. Given the nature of a policy level marker, it will provide a reliable means of gauging DRM mainstreaming within development assistance and, over time, provide an incentive to increase risk-informed development investments.

9. The idea of establishing a DRM Marker has gained currency among numerous development partners including DAC donors, UNISDR and the World Bank. A 2013 UNISDR-OECD survey of major donor agencies indicated the need to create a Marker for tracking investments in DRM. The 4th Session of the Global Platform for Disaster Risk Reduction also called for a DRM Marker and establishing measurable targets for financing DRM within the post-2015 framework for DRR (HFA2).

10. In addition to providing reliable tracking and reporting of DRM mainstreaming in development assistance, the guidelines and reporting directives developed for the DRM Marker may also guide similar tracking and reporting of DRM-related initiatives/programming of non DAC donors. It will also serve as a model for the national budgetary systems of the recipient countries and foster risk-sensitive development planning over time.

DRM Marker Eligibility Criteria

11. An aid activity should classify under the DRM Marker if it includes processes for designing, implementing, and evaluating strategies, policies, and measures to improve the understanding of disaster risk, foster disaster risk reduction and transfer, and promote continuous improvement in disaster preparedness, response, and recovery practices, with the explicit purpose of increasing human security, well-being, quality of life, resilience, and sustainable development.

12. An indicative scope of activities and considerations eligible for the DRM Marker is listed below to help assess the DRM-related ‘*investment intent*’ of aid activities. An illustrative listing



of DRM activities and considerations corresponding to DAC sectors is presented in **Annex-I**. It can be adapted into a set of eligibility criteria under the DRM Marker reporting directives.

- Institutional mechanisms for DRM with designated responsibilities
- DRM considerations integrated into development policies, planning and legislation
- Fostering political commitment and community participation
- Multi-hazard risk mapping, modeling, assessments and dissemination
- Decision support tools for risk-sensitive planning
- Early warning systems with outreach to communities
- Developing knowledge, public awareness and cooperation on DRM
- Inclusion of DRM into curricula and capacity building for educators
- DRM training to communities, local authorities, and targeted sectors
- DRM considerations integrated with the climate change adaptation, social protection and environmental policies
- Legal norms for resilient infrastructure and land use planning
- Disaster financing and insurance
- Disaster preparedness planning and regular drills for enhancing response
- Protective infrastructure and equipment
- Resilient recovery planning and financing

How the DRM Marker will work

13. The DRM Marker will assess the donors’ “policy objectives” (or investment intent) in relation to DRM in each aid activity⁷. The donors will be requested to indicate for each aid activity whether or not it includes DRM activities/considerations as a principal or significant objective.

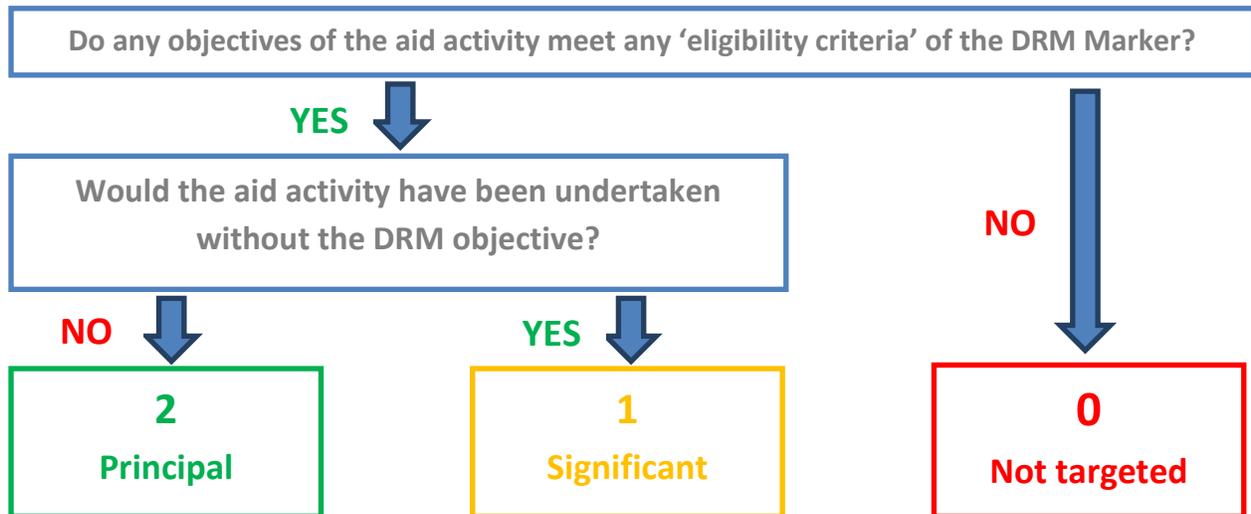
- “Principal” policy objectives are those which can be identified as being fundamental to the design of the activity and which are an explicit objective of the activity. They may be selected by answering the question “would the activity have been undertaken (or designed) without this objective?” - Such activities will be assigned the value ‘2’.
- “Significant” policy objectives are those which, although important, are not one of the principal reasons for undertaking the activity. Such activities will be assigned the value ‘1’.
- If the activity does not match any eligible DRM activity/consideration, it will be considered ‘Not targeted’ and be assigned the value ‘0’.

⁷ An aid activity can take many forms. It could be a project or a program, a cash transfer or delivery of goods, a training course or a research project, a debt relief operation or a contribution to a non-governmental organization. (OECD DAC <http://www.oecd.org/dac/stats/crsguide.htm>)



An activity can have more than one principal or significant policy objectives. To qualify for a score of “principal” or “significant”, the objective has to be explicitly promoted in the project documentation. As an illustration, a set of indicative aid activities showing a simulation of their potential eligibility for the DRM Marker is presented in **Annex-II**.

14. The DRM Marker will be used to track the level of DRM mainstreaming in development assistance. It is important to note that in marker data reporting, the number of aid activities classified as having ‘principal’ and ‘significant’ objectives will be shown separately. The activity-level review will follow a simple decision process, as depicted below, using detailed eligibility criteria and reporting directives (to be developed).



15. While a marker can resolve several challenges associated with tracking and reporting of DRM mainstreaming, it will have inherent limitations. A table showing what the DRM Marker can and cannot do is shown below.

DRM Marker can...	DRM Marker cannot...
<ul style="list-style-type: none"> ▪ Provide an incentive for donors to mainstream DRM in development assistance. ▪ Promote the idea that DRM is a development priority, as well as a humanitarian one. ▪ Ensure data homogeneity and comparability, possibly extending to national accounts in due course. ▪ Allow measuring of DRM mainstreaming. ▪ Coexist with the Climate Change Adaptation marker. 	<ul style="list-style-type: none"> ▪ Quantify the amount of aid specifically directed to DRM.



INDICATIVE ACTIVITIES FOR DEFINING DRM MARKER COVERAGE

The table below is based on the latest DAC sector codes⁸ and identifies the DAC 5 codes where aid flows with principal or significant contribution to DRM may exist. The eligible DRM activities/ considerations listed below should be viewed as indicative since additional activities addressing DRM may exist within the sectoral programs.

Eligible DRM activities/considerations under DAC Sectors
EDUCATION (110)
<ul style="list-style-type: none"> • The development or introduction of educational programs that promote resilience to natural hazards such as disaster resistant construction practices • Review of curricula to take account of DRM aspects in basic education, vocational training, and other forms of training and education • Develop or introduce a disaster risk reduction curriculum in school education and training programs. • Retrofitting existing schools and any academic facilities for disaster-resistance • Integration of disaster resistant standards in academic infrastructure design and development • Support for the establishment of natural hazard safety plans and training drills in academic institutions • The development or strengthening of disaster response policies and plans for academic institutions. • Assistance for higher education in DRM related fields
HEALTH (120)
<ul style="list-style-type: none"> • The training of health care providers in natural disaster preparedness and response • Retrofitting existing health infrastructure such as health centers and hospitals with disaster resilient building codes • Assess changes in risk (exposure and sensitivity) to natural hazard related diseases for vulnerable groups • Incorporate natural hazard related health risks into clinical practice guidelines, and curricula for continuous medical education and training • Take preventive measures to counteract increased exposure to natural hazard related diseases • Strengthen health management information systems related to DRM • Strategies that aim to improve the disaster risk management of the health and insurance system • Include disaster related diseases in basic benefits of insurance policies
WATER AND SANITATION (120)
<ul style="list-style-type: none"> • Strengthening of hydro-meteorology capacity and early warning systems • Improve environmental conditions of rivers/canals to mitigate flood risk • The development of strategies and/or infrastructure to reduce the flood risks • The construction of evacuation routes and emergency shelters

⁸ Available at <http://www.oecd.org/dac/stats/dacandcrscodelists.htm> (updated on 09/08/2013)



- Reduce the vulnerability to natural hazards of wastewater treatment and disposal designs
- Integration of DRM measures in river basin’s development and management

GOVERNMENT AND CIVIL SOCIETY (150)

- Measures aimed at increasing government capacity to manage risks and respond effectively to disasters
- Identify groups vulnerable to natural hazards and undertake measures to reduce their vulnerability
- Strengthen civil participation in the development of policies and programs for DRM

OTHER SOCIAL INFRASTRUCTURE AND SERVICES (160)

- The development of social protection strategies/safety nets to respond to natural disasters
- Mechanisms to scale up social protection programs in times of disasters
- Social protection programs that promote resilience to natural hazards
- Inclusion of vulnerability to natural hazards as a poverty indicator
- Specific targeting of groups vulnerable to natural hazards for social protection programs
- Strengthening institutional capacity of social protection programs to respond to a crises resulting from natural disasters
- Public work programs or sub-projects that integrate DRM measures or enhance resilience to natural hazards (building codes)
- The construction of evacuation shelters for communities to use in times of natural disasters

TRANSPORT AND STORAGE (210)

- Embedding disaster-resistant elements in the existing transportation network
- Support for the incorporation of DRM measures in transportation system planning
- Assess economic, environmental, or social impacts of natural hazards on transportation
- Introduce disaster resilient building codes in road construction projects
- Developing storage capacities for pre-positioning of disaster preparedness equipment, material and supplies

COMMUNICATION (220)

- Incorporate natural hazard considerations in information and communication policies and institutions
- The development or strengthening of disaster response policies and plans
- The establishment of a GIS database and other systems for risk assessments and decision support for risk management
- Develop or strengthen emergency response systems for use during times of natural disasters.
- The development of disaster helplines
- Assistance in the establishment of disaster resistant connectivity
- Development or strengthening of telecommunications infrastructure for use as part of an emergency response system during times of natural disasters

ENERGY GENERATION AND SUPPLY (230)



- Supporting the increased production of climate smart sources of energy
- Incorporate the potential impacts of natural hazards in the design standards of transmission and distribution lines and power system reliability assessments
- Flood protection or irrigation from construction of dams or water storage systems that incorporate changes in the water cycle due to climate variability or natural hazards

BANKING AND FINANCIAL SERVICES (240)

- Assistance in the development of disaster risk transfer/insurance initiatives
- Support for the integration of disaster risk reduction incentives within housing finance programs
- Establish a risk management framework integrating natural hazard risk mitigation strategies
- Disaster risk insurance schemes for productive sectors such as agriculture, fishing etc.
- Fiscal policy and management measures in support of DRM
- Economic research, modeling, and policy making for DRM

AGRICULTURE (311)

- Develop, test or introduce practices or techniques that are more resilient to natural hazards and climate variability in farming systems or plant breeding
- Research of existing and new threats to agriculture, fishing, and forestry from natural hazards.
- Assist in the integration of hazard resilience into extension services and programs
- Awareness raising of the disaster risks associated with promoting adaptive measures
- The development of irrigation or drainage networks to reduce vulnerability to natural hazards
- Reduce vulnerability of crop storage facilities to natural hazards
- Develop or introduce strategies to intensify crop production to mitigate rising food prices that result from drought
- Introduce or strengthen soil management practices to adapt to climate hazards

FORESTRY (312)

- Introduce the use of or maintain resilience of forest systems to reduce vulnerability of landslides, flooding or other natural hazards
- Reforestation with species less vulnerable to climate variability and natural hazards
- Forest fire prevention measures
- Mangrove preservation and afforestation to improve a coastal community's resilience to natural hazards

FISHING (313)

- Reducing vulnerability to natural disasters through sustainable production alternatives, safeguard biodiversity, and Integrated zone management

CONSTRUCTION (323)

- Include disaster resilient building codes/ design standards in infrastructure development
- Incorporate new natural hazard resilient design standards
- Land use and development planning and zoning that incorporates DRM measures



- The inclusion of natural hazard resilient measures in urban design and planning

General environmental protection (410)

- The establishment of database, inventories/accounts of physical and natural resources; environmental profiles and impact studies, specific to hazard zoning and risk assessment.
- Development of Flood prevention/control measures: floods from rivers or the sea; including sea water intrusion control and sea level rise related activities
- Establish flood warning and disaster assessment systems
- Integration of DRM measures in land use planning and/or policies
- Development and/or strengthening of environmental protection measures related to coping natural hazards risks

Other multi-sector (430)

- Integration of DRM measures in urban development projects, urban planning and/or policies
- Inform land information systems with natural disaster risk information
- Integration of natural disaster risks in rural development projects

ACTION RELATING TO DEBT (600)

- Debt forgiveness, relief of multilateral debt, rescheduling and refinancing carried out for risk reduction measure or necessitated due to a large-scale natural disaster

Developmental food aid/Food security assistance (520)

- Food aid/Food security programs implemented in the aftermath of a natural disaster

Emergency Response (720)

Note: To cover only the natural disaster related aid flows allocated for post-disaster material relief assistance and services, emergency food aid, relief co-ordination, protection and support services. Aid related to conflicts, HIV, Avian Influenza and other such non-natural disaster objectives to be excluded.

Reconstruction relief and rehabilitation (730)

Note: To cover only the natural disaster related aid flows allocated for restoring pre-existing infrastructure with disaster-resistant features and providing associated social services. Aid related to conflicts, HIV, Avian Influenza and other such non-natural disaster objectives to be excluded.

Disaster prevention and preparedness (740)

Note: To cover only the natural disaster related aid flows principally allocated for “Disaster risk reduction activities (e.g. developing knowledge, natural risks cartography, legal norms for construction); early warning systems; emergency contingency stocks and contingency planning including preparations for forced displacement.” Aid related to conflicts, HIV, Avian Influenza and other such non-natural disaster objectives to be excluded.

REFUGEES IN DONOR COUNTRIES (930)

Refugees displaced due to severe natural disaster.



SAMPLE AID ACTIVITIES

The sample aid activities and/or development objectives listed below demonstrate a simulation of their potential eligibility and scoring for the DRM Marker based on the decision process and eligibility criteria presented in the proposal. The marker coverage and scoring (*2-Principal; 1-Significant*) are only for illustrative purpose. The actual screening and scoring will require a thorough review of an aid activity’s documentation and development objectives.

Potential sector/ purpose	Short description of the aid activity and/or development objectives	Potential Score
General Environment Protection	Building disaster resilient communities by strengthening national systems for disaster risk management, increasing community-based earthquake and improving preparedness for a national emergency response.	2
Disaster Prevention & Preparedness	Strengthening national weather forecasting and warning services and disaster risk analysis for building sustainable national capacity for disaster risk management.	2
Other Multisector	Building a city’s resilience to earthquakes by reinforcing public buildings to seismically safe standards, and develop city-level disaster preparedness plans and policies.	2
Water Supply & Sanitation	Mobilize networks of NGOs and communities to advocate in favor of a strengthened national water policy and law, which considers sustainable use of water resources, sanitation services, and disaster risk reduction to support vulnerable population.	1
Education	Support to Ministry of Education for shaping the research agenda on education in conflict-affected states, developing guidelines on education and child protection and corresponding training to education practitioners, and develop disaster risk reduction (DRR) plans for the education sector.	1
Agriculture	Enhance the resilience of smallholder producers to climate variability by improved management of watersheds, introducing or expanding soil management practices, and reduce vulnerability of crop storage facilities to natural hazards.	1