



**Global Facility for Disaster Reduction and Recovery (GFDRR)**

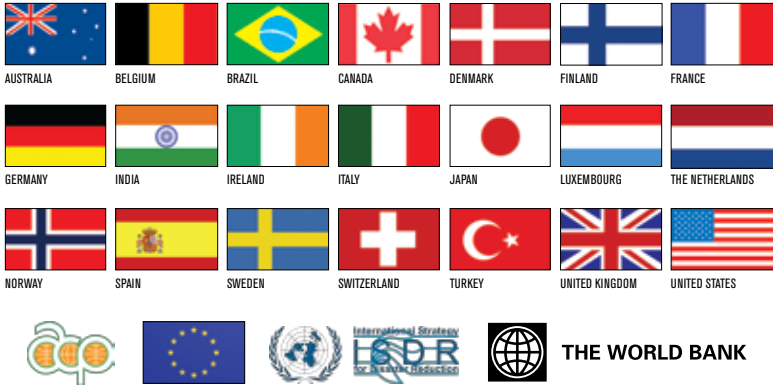
# GFDRR Partnership Strategy 2009–2012

Reducing Disaster Risks for Sustainable Development



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# Tribute to GFDRR Partners



Since its establishment in September 2006, the Global Facility for Disaster Reduction and Recovery (GFDRR) has evolved into a partnership of 25 countries and international organizations that are committed to helping developing countries reduce their vulnerability to natural hazards and adapt to climate change.

Special thanks and appreciation are extended to the partners\* who support GFDRR's work to protect livelihood and improve lives: **ACP Secretariat**, **Australia**, Belgium, Brazil, **Canada**, **Denmark**, **European Commission**, Finland, **France**, Germany, India, Ireland, **Italy**, Japan, **Luxembourg**, **The Netherlands**, Norway, Spain, Sweden, Switzerland, Turkey, **United Kingdom**, **United States**, UN International Strategy for Disaster Reduction, and **The World Bank**.

\*In bold, GFDRR Donors

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# Reducing Disaster Risks for Sustainable Development

## Introduction

1. This paper outlines a medium-term strategic framework for the Global Facility for Disaster Reduction and Recovery (GFDRR) and should be considered in the broader context of the increasing global commitments of GFDRR partners to mainstreaming disaster risk reduction and climate change adaptation for sustainable development. It has been developed in accordance with the GFDRR Partnership Charter in response to the outcomes identified at the 4<sup>th</sup> Consultative Group (CG) meeting in April 8-9, 2008, Washington DC, and reflects the discussion in the 5<sup>th</sup> CG meeting in Copenhagen, November 13-14, 2008 as well as the most recent discussions at the CG meeting in Geneva, June 14-15, 2009.

2. Many low and middle-income countries are increasingly exposed to high disaster risks and climate impacts, both in terms of population residing in areas at risk, as well as percentage of GDP in areas at risk. Seventy-five countries have more than 30% of their GDP generated in areas at risk from more than two hazards; 65 of these are low or middle-income countries.<sup>1</sup> The cost of relief, recovery and reconstruction efforts has resulted in billions of dollars being diverted from helping to achieve development goals.
3. In response to a clearly alarming trend in the frequency and severity of disasters, the World Bank, the UN, and major donors launched the Global Facility for Disaster Reduction and Recovery (GFDRR) in September 2006 to support efforts of the vulnerable developing countries to include reducing disaster risks as an integral dimension of their national poverty reduction and sustainable development. GFDRR is a partnership of the International Strategy for Disaster Reduction (ISDR) system and it is a commitment of the international community to build stronger, more effective partnerships that enable developing countries prone to natural hazards and climate-induced extreme events to realize their disaster risk reduction goals envisioned in the *Hyogo Framework for Action 2005-2015: Building the Resilience of Nations and Communities to Disasters (HFA)*.<sup>2</sup>
4. Within three years, GFDRR has successfully established a solid foundation for scaling up its operations to a level comparable to what was envisioned when the GFDRR partnership was launched. Based on a distinctive business model that combines *ex-ante* support to high risk developing countries and *ex-post* assistance for sustainable recovery and risk reduction in post-disaster situations, GFDRR is assisting developing countries to make disaster risk reduction a core component of all poverty reduction and sustainable development efforts. GFDRR interventions in many countries provide useful entry points towards building adaptive capacities to deal with climate-induced extreme events.<sup>3</sup> Increasingly, risk reduction and risk transfer options promoted by GFDRR are seen as integral to national climate adaptation programs.<sup>4</sup>

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<sup>1</sup> Dilley, M., R. S. Chen, U. Deichmann, A.L. Lerner-Lam, M. Arnold, J. Agwe, P. Buys, O. Kjekstad, B. Lyon, and G. Yetman. 2005. *Natural Disaster Hotspots: A Global Risk Analysis*. The World Bank, Washington DC.

<sup>2</sup> <http://www.unisdr.org/eng/hfa/hfa.htm>.

<sup>3</sup> GFDRR funded technical cooperation programs in Mozambique, Malawi, Vietnam, Yemen, Pacific Islands, Madagascar, Bangladesh and Senegal where climate impact assessment and adaptive capacity development have been included in the national program.

<sup>4</sup> These include ongoing work on Pacific Catastrophe Risk Financing Initiative and South Eastern Europe Catastrophe Risk Financing Initiative, both funded by GFDRR.



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5. GFDRR has contributed to broadening the country-level upstream policy dialogue on disaster risk reduction (DRR) and promoted demand-driven capacity development programs that are designed to support country ownership of DRR. It has catalyzed inclusive and effective partnerships with all country development partners including bilateral and multilateral donors, global funds, civil society organizations and the private sector. As a result, there is increased cooperation between the World Bank, the UN and bilateral agencies in national disaster risk reduction. GFDRR has significantly elevated the DRR agenda in the World Bank's country assistance strategies and national development and growth strategies.
6. GFDRR is now looking forward to scaling up its support to disaster-prone priority countries, increasing the medium-term predictability of aid for DRR to these countries, leveraging DRR entry points to promote national climate adaptation programs, and more importantly, to strengthening GFDRR focus, delivery and transparent accounting of results. This framework presents an outline of the principles and actions that GFDRR partners resolve to support.

# The Mission

7. As defined in the Partnership Charter, GFDRR's mission is to mainstream disaster risk reduction and climate change adaptation in country development strategies by supporting a country-led and managed implementation of the Hyogo Framework for Action (HFA). GFDRR programs will work towards making sure that disaster risk reduction no longer remains an isolated issue, supported only in the event of a disaster, but is an integral part of a comprehensive development agenda.
8. GFDRR support will include risk reducing sectoral development strategies geared towards reducing poverty and addressing sustainable growth. With guidance from its Consultative Group, GFDRR is responding to its mission with a set of services that are delivered—depending on the circumstances and the needs—through its business lines.

# The Vision

9. The principles of the HFA will continue to guide GFDRR's overall directions. The goal is an ever-safer world that is much more resilient in the face of known disaster risks and adapts assertively to new global threats such as climate change. The GFDRR vision *is to increase human security and prosperity through comprehensive national disaster risk reduction programs.*
10. A broadened partnership constituency, adequate and predictable resources, and innovative scaled-up interventions in priority countries by GFDRR will allow this vision to be realized by delivering practical benefits within countries and communities—especially those that are poor and most disaster-prone.



## GFDRR Services and Business Lines

11. **Product and services.** GFDRR products/services can be grouped into the following three broad components: *capacity building, tools and methodologies, and knowledge sharing and generation*. Examples of GFDRR activities under each component are:

- **Capacity building.** These include developing effective institutional, governance, legislative and financing frameworks for disaster risk reduction and mainstreaming disaster risk reduction in sectoral development strategies. These services also include activities that enhance institutional capacities to design catastrophe risk financing strategies; enforce disaster resilient building codes that address hazards and exposure to sea level rise; protect critical infrastructure, adopt risk reducing land use planning; and design drainage systems along coastal cities responding to changing

climate. Activities may also include developing hazard warning and monitoring systems; hazard mapping and risk modeling; integrated coastal zone management; assessing the economic impact of disasters; and analyzing how to assess, reduce and transfer risks.

- ***Tools and methodologies.*** These include the Central American Probabilistic Risk Assessment (CAPRA); the Mitigation and Risk Identification System (MIRISK) for assessing and mitigating disaster risks to infrastructure investments; Common Country Risk Assessment (CCRA) to jointly assess disaster risks and climate change impacts; and Climate Change Primer for city managers to develop and implement climate resilient action plans. There are also methodologies for post-disaster damage and needs assessments, catastrophe risk financing and insurance mechanisms. The Callable Fund is the main financing instrument to mobilize international support for financing disaster recovery and reconstruction.
- ***Knowledge sharing and generation.*** These include developing and sharing evidence-based disaster risk reduction actions; making an economic case for disaster risk reduction; and documenting and disseminating good practices on mainstreaming DRR and formulating sectoral risk reduction strategies. In addition, there are activities that address recovery and risk reduction in post-disaster operations, facilitating the North-South and South-South exchange of lessons and experiences, promoting need-based research and the transfer of low-cost risk reduction solutions.

12. ***Three business lines.*** To support the mainstreaming of risk reduction in developing countries, these services are delivered through GFDRR's three business lines: The *Global and Regional Cooperation Program*, known as Track I; the *Disaster Risk Reduction Mainstreaming Program*, known as Track II; the Sustainable Recovery Program, known as Track III (*Standby Recovery Financing Facility*).

- ***Global and regional partnerships:*** The *Global and Regional Cooperation Program* promotes well-functioning international capacities and cooperation arrangements in the ISDR System to support national disaster risk management, including climate adaptation and accelerated post-disaster recovery. This service line is jointly facilitated by the World



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Bank and UNISDR to ensure broad involvement of governments, the UN, multilateral development banks, regional organizations and civil society partners.

- **Mainstreaming disaster risk reduction:** The *Disaster Risk Reduction Mainstreaming Program* provides *ex-ante* assistance to developing countries to mainstream and expand disaster risk reduction and climate change adaptation activities. Under this business line, GFDRR works closely with the World Bank regional teams, UN agencies, and client governments to integrate disaster risk reduction in national poverty reduction strategies and strengthen national capacity. Sub-business lines supporting *ex-ante* programs include: *Risk Assessment*, *Risk Reduction*, *Risk Financing*, and *Climate Change Adaptation*.
- **Making Recovery Resilient:** The *Sustainable Disaster Recovery Program* provides *ex-post* support to developing countries to ensure that future risk reduction measures are incorporated into post-disaster recovery plans

and programs and implement preparedness measures to respond faster to future events. Seed money is made available to the World Bank and the UN agencies to launch coordinated national government-led Post-Disaster Needs Assessments to enable governments to plan for accelerated recovery, resilient reconstruction and long-term risk reduction. It also provides funding to fast-track disaster recovery that bridges humanitarian assistance and development in post-disaster situations, by focusing on longer term recovery that incorporates risk reduction when the opportunity for “resilient recovery” is greatest.

13. ***Innovation in Disaster Risk Reduction is central to the GFDRR partnership.*** Two innovations that complement these business lines are: (a) South-South Cooperation Program for Disaster Risk Reduction to foster greater developing country leadership and ownership of the disaster risk reduction agenda through activities that enhance collaboration among Southern governments, institutions, networks, and communities, and (b) the Economics of Disaster Risk Reduction, a study commissioned jointly by the World Bank and the UN, to evaluate economic arguments related to disaster risk reduction through analytical, conceptual and empirical examination of the relevant themes.
14. Through its delivery structure and tailored services, GFDRR has been successful in raising the profile of disaster risk reduction and integrating DRR as a key component of sustainable development both within and outside the World Bank. A growing number of disaster-prone countries are now incorporating disaster risks into planning and financing of development. Yet, there is a worsening trend in disaster losses caused by growing exposure of people and assets to rapid urbanization in highly disaster prone areas. Such emerging challenges need to be addressed in a comprehensive and sustained manner.
15. The following section provides an overview of the forces that will have to be considered when designing and implementing GFDRR assisted sustainable comprehensive disaster risk reduction programs.



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## A Challenging Environment

16. *Disasters continue to pose a significant threat to development.* Disasters are becoming costlier, resulting in loss of major development gains. Therefore, reducing vulnerability and disaster risks must be an integral part of global efforts to achieving the Millennium Development Goals, particularly for low-income countries, and it must be carried out within the context of evolving international, national and local development priorities that are being shaped by climate change, rapid urbanization, environmental degradation, and global crises.
17. *Disasters induce poverty.* Disasters, particularly droughts, contribute to decreased food production and thus food insecurity. The problem is acute in countries whose GDPs are primarily dependent on agriculture. In the absence of instruments to assess climatic risks, or to transfer risks through crop insurance and other instruments, households are pushed into chronic

food insecurity. People in low-income countries are 20 times more likely to die from natural hazards than those in high-income countries. Typically, most losses are not insured and lead to income fluctuations that can push people into poverty. Furthermore, poorer households have the least means to protect their most vulnerable members, such as the elderly, children, and women. This traps vulnerable populations in persistent deprivation. Socially disadvantaged groups suffer greater impacts, leading to long-term irreversible consequences for human capital in poor countries.

18. ***Climate change magnifies catastrophes.*** The impact of climate change will exacerbate the situation further. Climate change is projected to increase disaster risks by altering average climatic conditions, creating greater climate variability, and influencing extreme weather events. This includes the appearance of new threats in regions where they did not previously exist. Climate change-induced food insecurity, inundation, asset losses and population displacement could generate conflict and insecurity from the competition for land, housing, water, and other resources.<sup>5</sup>
19. ***Urbanization increases disaster risks.*** A significant reason for the rapid growth in disaster losses is the concentration of population, assets and investments in urban areas exposed to hydrometeorological and geophysical hazards. This rapid urbanization has increased the potential for disaster losses. It is estimated that China will add 342 million people and Indonesia 80 million to their cities by 2030 and in Sub-Saharan Africa, 395 million people will be added over the same period.<sup>6</sup>
20. ***Disaster risk reduction—a global public good.*** Globalization has brought instantaneous contact and dependence to all parts of the planet. The consequences of disaster loss in any part of the world can be rapidly transmitted to geographically distant societies and economies. As a consequence of globalization, vulnerability anywhere is now shared everywhere. In such a highly interdependent world, global disaster risk reduction is no longer a matter of choice, but rather a necessity. It is a global public good and there is a need for a coherent and well-coordinated international system for DRR. More needs to be done to harness the potential of the private sector, civil society organizations and academic networks to effectively deal with this global agenda.

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<sup>5</sup> Various discussion papers by World Bank staff.

<sup>6</sup> Guide to City Development Strategies: Improving Urban Performance, 2006, Washington DC, Cities Alliance.



## Strategic Directions

21. To maximize its future contributions to disaster risk reduction in an increasingly challenging environment, GFDRR will continue to develop its services by building on its strengths and comparative advantages:
  - A unique broadly-based partnership between the donor countries, the UN, and the World Bank, that has been built over the last three years and provides a strong foundation for international cooperation in national disaster risk reduction.
  - A location within the World Bank, which allows GFDRR to draw on the World Bank Group's intellectual and financial resources for sustainable development.
  - A distinctive *ex-ante* support and *ex-post* assistance business model that allows GFDRR to pursue a full range of innovative instruments for disaster risk reduction.
  - A results-based approach to DRR.

22. Taken together, these elements are unique in the global disaster risk reduction arena. GFDRR will focus on country and regional interventions that yield the most comprehensive impact through country ownership of disaster risk reduction, help transform policies and plans, and foster global commitments on disaster risk reduction. In implementing comprehensive disaster risk reduction and climate adaptation programs, GFDRR is guided by the Consultative Group's recommendations and decisions, with due consideration to the Results Management Council's technical guidance. By adhering to the concept of risk reduction as an approach to sustainable development, the recommendations are translated into a set of priorities grouped under each business line leveraging GFDRR's comparative advantages. In the context of the challenges described earlier, the priorities will help guide GFDRR in delivering its programs.

## A. Expanding Global and Regional Partnerships for Supporting National Disaster Risk Reduction

23. ***Stronger and inclusive partnerships.*** GFDRR is a partnership of the ISDR system and it will continue to collaborate with the UNISDR Secretariat for a coherent and coordinated global disaster risk reduction system. GFDRR will strengthen its partnerships with UN agencies, the European Commission (EC), multilateral development banks (MDBs), the International Federation of Red Cross and Red Crescent Societies and other stakeholders. Through its partnership with IFRC, GFDRR will continue to strengthen its partnership with these stakeholders and many others.
24. ***Aid effectiveness and coordination.*** To fully benefit both its present contributors and beneficiaries, and more broadly to help the global disaster risk reduction network to achieve better aid effectiveness and donor coordination, GFDRR's governance structure will be broadened. The purpose is to include major economies and developing countries while providing a convenient global platform for information and knowledge sharing and convening opportunities in order to effectively address the needs of disaster-prone countries. The medium term goal of GFDRR will be to have a diverse group of countries bring different experiences from both the South and the North.<sup>7</sup>

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<sup>7</sup> To achieve this, a range of possible options have been developed in a separate note on GFDRR governance.

A longer term goal will be to engage operational partner agencies and private sector representatives in its governance structure. GFDRR is already participating in the implementation of the Paris Declaration in order to enhance aid effectiveness in developing countries.

25. ***Expanding regional and sub-regional cooperation.*** Strengthening regional networks of disaster risk reduction actors and building the capacities of regional inter-governmental organizations for disaster risk assessment, financing and adaptation will continue to be of high priority to GFDRR. Strengthening regional and sub-regional cooperation can help generate economies of scale and create an enabling environment to advance the national disaster risk reduction agenda. Going forward, GFDRR will deepen its engagement with selected strategic regional partners to strengthen their capacity, and expand their knowledge and expertise in disaster risk reduction with a view to facilitate an increased dialogue among the countries in the region that will ultimately benefit national disaster risk reduction efforts.<sup>8</sup>
26. ***Harness the potential of the private sector.*** GFDRR will work with UNISDR and other partners to generate a business case for disaster risk reduction. GFDRR will expand its cooperation with the International Finance Corporation (IFC), which is the private sector arm of the World Bank Group. GFDRR will benefit from IFC's technical expertise in private sector development, as well as from IFC's global presence and existing relationships.
27. ***Risk reduction innovations based on the private sector.*** Drawing upon already existing in-house and externally generated knowledge and the practices of think tanks and other institutions, GFDRR will develop an innovation program to encourage entrepreneurs in priority countries to develop and disseminate innovative technologies for DRR that combine local know-how with global knowledge. This will be done through partnerships with research institutions and private sector representatives from the North and South, which will identify and support potential innovators, as well as develop new financing mechanisms for investing in this area.

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<sup>8</sup> The GFDRR Secretariat is engaged in a dialogue with key partners to develop an approach to regional and sub-regional programs in all three Tracks.

## **B. Mainstreaming Disaster Risk Reduction—Ensuring DRR as a Key Component of Sustainable Development**

28. ***Integration of disaster risk reduction in development.*** GFDRR will work closely with UN agencies, EC, particularly UNDP, MDBs and bilateral organizations to elevate and integrate the disaster risk reduction agenda in country level poverty reduction strategies, country assistance strategies, and sector strategies through upstream engagement with governments during formulation of new country development strategies as well as their mid-term reviews.
29. ***Adapting to climate change.*** Disaster risk reduction is also the first line of defense in adapting to climate change and therefore some programs supported by GFDRR will promote strategies and plans on climate adaptation. GFDRR will continue to finance disaster risk reduction programs that build adaptive capacities in its priority countries. GFDRR will also facilitate development of common approaches and coordinated implementation of national disaster risk reduction and climate change adaptation interventions. GFDRR will further strengthen its capacity to engage with climate change teams working on financing the climate mitigation and adaptation agenda, both within the World Bank and in close partnership with other key players in the ISDR system.
30. ***Building economic evidence for disaster risk reduction.*** GFDRR will support global, regional and country level efforts to generate economic evidence for disaster risk reduction and to enable developing country governments to prioritize policies and investments in risk reduction and risk transfer solutions.
31. ***Promoting innovation in DRR.*** GFDRR will continue to promote innovative cost-effective local solutions to disaster risk reduction which may have high impact such as those that catalyze the integration of disaster risk reduction and climate adaptation in Poverty Reduction Strategy Papers/Country Assistance Strategies (PRSPs/CASs), increased South-South Cooperation in DRR, greater investments in DRR, and mainstreaming DRR in development financing.
32. ***Advance risk financing and insurance mechanisms.*** GFDRR will continue to support development and application of the unique risk financing instruments that include Contingent Loans, such as the Catastrophe

Risk Deferred Drawdown Options (CAT DDO), and provide access to international catastrophe reinsurance markets on competitive terms.<sup>9</sup>

33. ***Gender equality.*** Recognizing that, as a group, women and men are affected differently by natural disasters, GFDRR will support countries to incorporate gender dimensions in national DRR strategies and include programs targeted to women and children to ensure gender equity during planning for recovery and reconstruction.
34. ***Making cities and communities safer.*** GFDRR will support design and implementation of programs to reduce vulnerabilities of communities and cities to rapid urbanization leading to uncontrolled growth in hazard prone areas. Particular attention will be given to the coastal cities to enhance their resilience to impacts of natural hazards including climate change. GFDRR support will also enable cities to develop and implement disaster risk reduction plans as an integral element of their sustainable growth agenda. GFDRR will help to develop urban planning which will reflect the risks of earthquakes and promote earthquake resistant designs for infrastructure, buildings and houses in the urban areas.
35. ***Making infrastructure systems resilient.*** GFDRR will provide technical and financial support to help ensure that critical infrastructure systems and their component facilities (such as schools, hospitals, bridges, and road networks) built over the next decade meet higher standards of hazard resilience. Development and enforcement of building codes will form an integral component of national programs supported by GFDRR.
36. ***Bolstering national capacities in disaster risk reduction.*** GFDRR supports development of tools and methodologies and enhancement of both individual and institutional capacities to facilitate mainstreaming of disaster risk reduction in country planning. Capacity development is a key factor of many GFDRR projects to prepare countries that are undergoing a substantial shift in disaster risk management structures, roles and responsibilities away from traditional disaster response functions in the direction of multi-sectoral development agendas on risk reduction and climate change. GFDRR will

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<sup>9</sup> Including the Caribbean Catastrophe Risk Insurance Facility (CCRIF); insurance linked securities, such as catastrophe bonds; property catastrophe insurance programs, such as the Turkish Catastrophe Insurance Pool (TCIP); and agriculture insurance programs, such as index-based livestock insurance and weather-based crop insurance.

make strong investments in national capacities of governments to lead and implement comprehensive risk reduction agendas and to coordinate between ministries. At the same time, local authorities at district level will also receive technical support to implement new strategies.

## C. Achieving Resilience in Post-Disaster Recovery

37. ***Accelerating sustainable recovery financing.*** GFDRR will continue to refine The Standby Recovery Financing Facility (SRFF), a fund activated after a disaster, to support risk reducing recovery programs. SRFF will also be better linked with contingent financing windows of the World Bank, other IFIs and bilateral donors to deliver coordinated aid for post-disaster recovery and reconstruction.
38. ***Strengthening coordinated disaster recovery planning.*** The UN, World Bank Partnership Framework for Crisis and Post-Crisis Situations, and the tripartite EC, UN, World Bank Joint Statement on Post-Crisis Assessment and Recovery Planning, affirm the highest level of commitment to work together in supporting disaster affected countries. GFDRR will continue to support the spirit and implementation of the agreements, which was evidenced in several of the six Post-Disaster Needs Assessments (PDNA) that were supported by the SRFF in 2008.<sup>10</sup>
39. ***Systematizing disaster recovery experiences.*** GFDRR will strengthen knowledge management in disaster recovery by producing sector specific knowledge such as the *Housing Handbook* and a *Toolkit for Social Protection* that are under preparation. Furthermore, GFDRR will generate guidance notes and best practice notes that will be further developed to cover each type of natural disaster and sector. GFDRR will strengthen knowledge exchange by supporting global, regional, sub-regional and national platforms.
40. ***Building in-country capacities in recovery preparedness and response.*** GFDRR will continue to provide training courses in the methodology for assessing post-disaster damage and losses and expand these efforts towards recovery and reconstruction planning and recovery monitoring as well as towards pre-disaster planning.

<sup>10</sup> Post Disaster Needs Assessments were conducted in 2008 with GFDRR support in Bangladesh, Bolivia, Haiti, Madagascar, Myanmar, and Yemen.



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## Operationalization

41. Strategic directions formulated in the policy discussions during the Consultative Group's successive meetings in Stockholm, Washington, Copenhagen and Geneva will guide GFDRR in operationalizing the key priorities outlined in this strategy.
42. **Focus on low income countries.** GFDRR assistance will focus on low income countries, particularly Least Developed Countries (LDCs), at high risk of natural disasters. Around 80% of available funds will be allocated to these countries in each programming cycle, which will allow GFDRR to deepen its engagement and demonstrate substantive disaster risk reduction. To achieve this, GFDRR is developing a comprehensive disaster risk reduction management program in 20 priority countries<sup>11</sup> following a country programming template.

<sup>11</sup> These countries include 9 in Africa—Burkina Faso, Ethiopia, Ghana, Madagascar, Malawi, Mali, Mozambique, Senegal, and Togo; 5 in East Asia and the Pacific—Indonesia, Marshall Islands, Papua New Guinea, Solomon Islands, and Vietnam; 1 in Central Asia—the Kyrgyz Republic; 2 in Latin America and the Caribbean—Haiti and Panama; 2 in the Middle East and North Africa—Djibouti, and Yemen; and 1 in the South Asia Region—Nepal.

43. ***Selection of priority countries.*** The priority countries will be selected based on the following criteria: (a) disaster risks and economic resilience to cope with disasters—based on income classifications by the UN, the WB, IDA, the debt initiative for the Heavily Indebted Poor Countries (HIPC), and the 2005 study entitled *Natural Disaster Hotspots: A Global Risk Analysis*; and (b) country ownership reflected in a government’s compliance with the HFA priorities and performance in ongoing GFDRR funded programs in the country. The list of priority countries is dynamic and will be reviewed at least every two years by the Consultative Group, based on disaster risk reduction and vulnerability assessments done by various agencies including ISDR. In addition, GFDRR will engage in comprehensive disaster risk reduction programs in the countries earmarked by donors.<sup>12</sup>
44. ***Exit strategy.*** As the mainstreaming of the disaster risk reduction agenda advances, resulting in greater country ownership and in-country capacity for managing disaster risks, GFDRR will withdraw from the priority countries, enabling the country governments and the development partners to continue addressing the remaining challenges. For this purpose, GFDRR has established a baseline and a set of indicators to monitor the status of disaster risk reduction in each of the priority countries. In some cases, early exit from a priority country is also envisaged due to a large number of donors participating in national disaster risk reduction programs, or if the political situation no longer favors a sustained country policy dialogue.
45. ***Country ownership and coordination.*** Disaster risk reduction programs will be developed by national and local governments assisted by GFDRR, and in close coordination with all relevant stakeholders.
46. ***Flexible and innovative grants.*** In line with Consultative Group recommendations, the remaining 20% of available funds will be used for flexible, innovative, high impact grants such as those that catalyze the integration of disaster risk reduction and climate adaptation in PRSPs/CASs. Grants will also be used for project preparation support to stand-alone disaster risk reduction investments, and for designing a disaster risk reduction component to a pipeline or an ongoing development investment program in any disaster-prone country.

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<sup>12</sup> These include Bangladesh, Cambodia, Philippines and Vanuatu (supported by Australia); Lao PDR, Pakistan and Sri Lanka (supported by Japan); Costa Rica, Colombia, Ecuador and Guatemala (supported by Spain).

47. **Results-Based Management.** GFDRR will continue to benchmark and monitor its progress and impacts against a set of evidence-based indicators<sup>13</sup> through its Results Based Management System (RBMS). Open to participating donors, other stakeholders and the general public, this online real-time tool supports internal management accountability, learning, and decision-making. The GFDRR's Results Management Council will play an important role in further strengthening GFDRR's results oriented focus by providing technical guidance and contributing to the monitoring and evaluation of impact.
48. **Resource mobilization.** By demonstrating tangible impact in priority countries, GFDRR will continue to seek greater support from existing donors while reaching out to expand partnerships with potential donors and emerging economies, as well as the private sector and foundations. Effective implementation of the outlined strategy, in line with the 80%-20% resource allocation formula recommended by the Consultative Group, would require a total resource envelope of approximately US\$390 million over a period of 3-5 years as GFDRR expects to provide up to US\$10 million in technical and financial assistance to each country over this period. GFDRR will also catalyze additional aid investments, including budget support for the implementation of the National Programs for Disaster Risk Reduction in priority countries. GFDRR's contribution is expected to leverage an additional US\$1 billion annually.
49. **Communication.** To support GFDRR's expanded role and diversified portfolio, GFDRR will implement an effective and proactive communications strategy that promotes disaster risk reduction as a global priority issue for sustainable development and emphasizes its close links to climate change. The goal is to communicate results and impact while demonstrating how GFDRR is creating higher value for its partners, donor governments, and—most importantly—the vulnerable citizens whose lives will be improved as a result of GFDRR support.

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<sup>13</sup> These indicators are aligned with a set of indicators developed by ISDR. GFDRR will continue to improve and refine the GFDRR Outcome Indicators.



## Going Forward

50. It is proposed that this strategy be reviewed in 2012. The review will benefit from the outcomes of several international processes, such as the GFDRR evaluation<sup>14</sup> in 2009, mid-term review of the HFA in 2010–2011 and the post-Kyoto protocols on greenhouse gas emissions.
51. GFDRR is embarking on a much longer journey that will require long-term perseverance and sustained commitment to a substantial scale-up in risk reduction. This path must continue to be at the heart of a re-invigorated drive for poverty reduction and sustainable development in disaster prone communities and nations.

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<sup>14</sup> The World Bank's Development Grant Facility which provides the Bank's contribution to GFDRR Track I requires a programmatic independent impact evaluation three years after the initial contribution. This process has been initiated and a draft Terms of Reference for the evaluation has been prepared in consultations with members of the Consultative Group and the GFDRR Results Management Council.



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