

# ***Standby Recovery Financing Facility [Track III]***

Partnership for accelerated recovery  
under the

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

# Reducing vulnerability to disasters is at the core of GFDRR

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- Key objectives
  - Make HFA a **core development priority** in natural disaster hotspots
  - Strengthen **ISDR system capacity** to support national implementation of HFA
  - **national capacity development** to deal with the risks of natural disasters, and
  - enhance the **speed and efficiency** of international assistance for disaster recovery operations.

### ***3 Tracks of GFDRR provide integrated package of technical and financial resources for disaster risk reduction***

- Support ISDR to develop a coherent and coordinated approach to risk reduction ( **TRACK I**)
- Assist natural disaster hotspot countries to mainstream disaster risks in development strategies (**TRACK II**)
- Speedy and predictable financing for disaster recovery in low income countries (**TRACK III**)

# Update on GFDRR Tracks

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- **Track I:**
  - fully developed and operational; \$ 5 million in '07 provided; additional \$ 5 million in '08 planned;
  - managed by ISDR Sec.
- **Track II:**
  - fully developed and operational;
  - \$ 50 million in TA committed;
  - programs in 45 hotspot countries planned for FY 07-11
  - (5 countries began in 07)
- **Track III: (SRFF)**
  - financial structure and operating procedures will be discussed by CG of GFDRR in Stockholm on Oct 24



# Key principles in design of Track III

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- Recognition of the central role of governments in disaster recovery processes
- Need for better international institutional preparedness among UN, IFIs, donors and other actors
- Countries with limited fiscal envelope and low credit-worthiness have little or no incentive to invest in disaster prevention
- Linking recovery financing with ex ante disaster prevention
- Ensuring that Track III doesn't create any disincentives for catastrophic risk financing markets

# SRFF makes disaster recovery financing more predictable

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- **key attributes of SRFF:**
  - A global protocol for international recovery operations
  - A global knowledge resource on managing recovery operations
  - A global initiative to build national capacity for recovery planning and implementation
  - A global fund in **readiness** (for ex-post pooling of financial resources) for recovery

# Track III financing structure

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- **Window 1: Technical Assistance for**
  - Development of protocol for international recovery operations
  - Development of global knowledge resource on managing recovery operations
  - Develop national capacity for recovery planning and implementation
- **Window 2: Callable Fund**
  - Fund in readiness, activated when a disaster strikes
  - Prior agreements with both donor and beneficiary governments
  - Financing/co-financing disaster recovery
  - Joint needs assessment and recommendation by a national recovery group led by government

# **SRFF will support existing international mechanisms to achieve its objectives**

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- **Development of protocol for international recovery operations**
  - **(CWGER, IRP/ISDR and other mechanisms)**
- **Development of global knowledge resource on managing recovery operations**
  - **(IRP/ISDR)**
- **Develop national capacity for recovery planning and implementation**
  - **(National governments, UN, MDBs, donors,)**
- **Callable Fund**
  - **(World Bank)**

## Important milestones (prov.)

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- SRFF fiduciary arrangements completed by August 15
- Present complete financial and fiduciary structure of SRFF to CG of GFDRR on October 24 in Stockholm
- Resource mobilization (ongoing, initial commitments from few donors)
- International workshop on global protocol for recovery in early '08
- Detail implementation modalities being discussed with key partners (dates will be discussed with partners)

***Your suggestions are  
most welcome***

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