

## DISASTER RISK REDUCTION

# Funding Disaster Risk Reduction

- VOICE is a European network of 82 humanitarian NGOs. Improving policy and practice of Disaster Risk Reduction (DRR) in developing countries has been a priority issue for the network over many years. 2013 is a key year in the development of the next international framework for reducing disaster risk worldwide including via the Global Platform for Disaster Risk Reduction in May. The EU as a global player and major donor has an important role in this discussion. While progress has been made in integrating DRR in humanitarian action, now the development community has a crucial role to play in raising awareness and practice of disaster risk reduction to protect lives and livelihoods in the global south.
- This paper is part of a series of providing an introduction to key discussions around Disaster Risk Reduction. Here we explore funding for DRR, and which approaches can best support reducing risks.

*"Effective risk reduction serves as an important insurance strategy for development investments in high-risk countries, and as a key mechanism for avoiding costly future emergency responses. The earthquake in Haiti set back its development by many years and destroyed significant development investments in infrastructure and human capacity. It was also expensive: USD 9.9 billion was initially pledged to support post-earthquake reconstruction – more than three times the total amount spent on Haiti's development over the past ten years."*

OECD (2012) Towards Better Humanitarian Donorship - 12 Lessons from DAC Peer Reviews



## Funding DRR - a worthwhile investment

The global cost of disasters far outstrips the funds spent on development assistance: in 2011, the cost of disaster loss was over 300 billion USD<sup>1</sup> which is more than double overseas aid flows.

As a result of climate change, natural disasters are expected to be amplified in frequency and impact. The largest human cost will be borne by populations already disadvantaged by poverty.

Research also shows that investing in disaster risk reduction measures prior to disasters is far more (cost) effective than funding disaster response after a disaster. A widely-cited figure used by the World Bank states that each dollar invested in DRR saves seven dollars in disaster response and reconstruction; some studies put this ratio even higher. Investing in DRR does not only make economic sense; it is the only way to protect lives and livelihoods and ensure sustainable development.

Risk reduction is a long-term investment that needs to be mainstreamed through a country's ministries and activities. Humanitarian funding, with its relatively short-term planning and engagement is considered unsuitable for supporting these activities. However, for 2009, 68% of all DRR funding came from humanitarian financing, not development.

*Global Humanitarian Assistance (2012) Disaster Risk Reduction – spending where it should count*

## The limits of humanitarian funding

Following a disaster, there is a high motivation among affected populations and donors to reduce vulnerability to future disasters. This means DRR is largely initiated and led by humanitarian actors, who are also familiar with dealing with extreme events, and most DRR funding comes from humanitarian budgets. However, when the period of disaster response and rehabilitation is over, attention for DRR is often reduced. A shift in perspective is needed; disaster risk reduction needs to be seen as a fundamental element of development. There are limits to the DRR measures that can be effectively put in place in an emergency context; a longer timeframe and a participatory process involving multiple actors and a high level of capacity building is required to bring about effective risk reduction. In addition, a strong engagement of local government, which is difficult in many emergency situations, is a prerequisite for lasting change.

Funding for DRR thus should be included in both humanitarian and development funding streams with a clear link between the two. Linking Relief Rehabilitation and Development (LRRD) approaches are essential to this. In addition, development funding instruments should recognise the need to mainstream DRR and build capacity to cope with shocks and stresses in order to safeguard development investments.

## What does good DRR funding look like?

Funding which supports effective DRR should have a **long-term perspective**; it should take into account the time needed to improve systems, increase capacity of local and national institutions, and bring about lasting change.

**Flexible funding** is needed to design and implement programmes which respond specifically to complex and changing contexts. Community participation in assessing and addressing needs is essential, and especially in disaster-prone environments and situations of fragility, many new challenges can arise. Sometimes, key elements of addressing a hazard are only uncovered during the project process. For example, while seeking to address one village's problems of periodic flooding, it becomes apparent that neighbouring villages need to be involved in water-management agreements. Funding allocations should be flexible enough to allow programmes to be adjusted in order to address such situations in the most relevant way.

Funding for DRR should **reflect real risks**. Currently international DRR investment is not only inadequate, especially in countries particularly affected by natural disaster, but it is also very unevenly distributed. The majority of DRR funding is concentrated in a few recipient countries, which are not representative of highest risk<sup>2</sup>.

DRR funding should be directed to where it is needed most, focusing on **identifying and assisting those most vulnerable** to disaster risk, including addressing root causes of their vulnerability.

This means that high-risk groups in most disaster-prone areas should receive more funding. At the same time, DRR funding should seek to draw in and capitalise on local resources, for example securing government commitment to maintain early warning systems.

Funding should be **directed via channels and actors which support its impact at a local level**, including civil society actors. Civil society, including local and international NGOs is important due to its ability to support implementation of DRR programmes in a participatory grassroots manner. It can also help create the local demand for relevant DRR measures which supports continued government engagement.

## Getting the real picture

There is an overall need to improve the quality of data availability on funding for Disaster Risk Reduction. Funding for DRR from development and humanitarian budgets and other channels such as Climate Change Adaptation funds should be clearly identifiable, enabling an overall picture of whether resources are being directed strategically. Good risk assessments and evaluations, including at local level, have an important role to play in understanding whether funding is having an effect and informing future interventions.

<sup>1</sup> Munich RE (2011) *Natural Catastrophes Worldwide*

<sup>2</sup> Global Humanitarian Assistance (2012) *Disaster Risk Reduction: Spending where it should count*

## CASE STUDY



*Improved clean water supply for drought-affected communities.*

## Building resilience in drought-prone highlands in Ethiopia

*This case study is an example of how DRR-friendly funding approach is proving to be key to addressing recurring drought-related risks at a local level in Ethiopia.*

### CONTEXT

The Ethiopian highlands face recurrent drought. In specific zones in Amhara region such as Wag Himra and North Wollo the effects are set to worsen, due to climate change and other risks, with severe consequences for local communities. Local livelihoods depend primarily on rain-fed agriculture. However, the impact of intensifying weather extremes is compounded by alarming rates of deforestation in the area, which contributes to reduced soil productivity and decreased availability of water sources.

### PROJECT EXAMPLE

Responding to the 2011 Horn of Africa drought, Plan International implemented a first phase 6-month response project, followed by an 18-month rehabilitation project. Both projects were funded by the UK's Disaster and Emergencies Committee (DEC).

The first project (June-December 2011) responded to the urgent needs of malnutrition through therapeutic feeding programmes and provision of water as well as non-food items. The second phase project (January 2012-June 2013) aims to strengthen the resilience of the affected community through climate-smart livelihood interventions and empowerment of the most vulnerable, particularly women, girls and boys. This includes diversification of livelihoods via high milk yield cattle and beekeeping. These alternative income generation possibilities will help the targeted households be less vulnerable to climate shocks and stresses. They will also contribute to improving nutrition through more diversified diets. In addition the project seeks to address root causes of vulnerability by reinforcing access to more robust health and education services. This includes training and equipping health workers and community health volunteers, as well as improving water supply and sanitation in schools. Rehabilitation of water sources

(springs, hand dug wells) will increase the capacity of local communities to withstand future drought.

For the project approach to work, it was important that the funding allocated could be used for addressing immediate needs, as well as then supporting a comprehensive community-based intervention for longer-term effect. The donor's support for an integrated cross-sectoral approach was also important: in this way the multiple risks the targeted communities face (drought, depleting water sources, malnutrition, epidemics, school drop-out) could be addressed in a coordinated manner.

The flexibility of the funding has enabled project timeframes to respond to the implementation challenges faced, including remoteness and difficult terrain of the project area (which impacted delivery of materials and drilling of boreholes), the sensitive political context, and the need to respond to floods in August 2012 in neighbouring Woredas.

Flexibility of funding also allowed a genuinely participatory approach to define the project, rather than a fixed set of activities predetermined at proposal stage: communities discussed and influenced project activities, and local government was strongly involved. This approach secured greater participation of women, girls and boys in planning and decision making and is key for the accountability and sustainability of the changes the project will bring.

### PROJECT OVERVIEW

Project Title: Responding to the East Africa Crisis  
 Location: Gazgibela and Dehana Woredas, Highlands, Ethiopia  
 Working with: 27,000 families  
 Duration: 2 years



## Key messages

- Political commitment to resilience and to achieving development outcomes needs to be translated into predictable long-term funding for Disaster Risk Reduction.
- DRR funding should be targeted to where needs are greatest, and use channels that ensure a difference at local level, including civil society.
- While there is a window of opportunity for disaster risk reduction in an emergency context, disaster risk reduction should be increasingly integrated into development, and this should be reflected in funding allocations.
- Donors should ensure that funding for DRR is traceable, in order that funding progress can be measured.

### FURTHER READING

- VOICE position paper (2012) *Disaster Risk Reduction - a fundamental element of building resilience*
- Global Humanitarian Assistance (2012) *Disaster Risk Reduction - Spending where it should count*
- OECD (2012) *Towards Better Humanitarian Donorship: 12 Lessons from DAC Peer Reviews*
- VOICE-CONCORD (2012) position paper *Linking Relief Rehabilitation and Development (LRRD): Towards a more joined up approach enhancing resilience and impact*

*This paper was prepared by the **VOICE Working Group on Disaster Risk Reduction (DRR)**. Established in March 2007, the group brings together 25 European NGOs with the goal of contributing to and improving EU policy and practice on DRR, with particular reference to the Hyogo Framework for Action. In 2012 the DRR Working Group supported the development of the abovementioned VOICE position paper.*



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*The views expressed herein should not be taken, in any way, to reflect the official opinion of the European Commission.*

### VOICE

VOICE stands for 'Voluntary Organisations in Cooperation in Emergencies'. It is a network representing 82 European non-governmental organisations (NGOs) active in humanitarian aid worldwide. VOICE is the main NGO interlocutor with the European Union on emergency aid, relief, rehabilitation and disaster risk reduction. As a European network, it represents and promotes the values and specificities of humanitarian NGOs, in collaboration with other humanitarian actors.

### VOICE

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