

# Summary of Country Interviews and Questionnaires

**Inter-American Development Bank's Operational  
Policy on  
Natural and Unexpected Disasters (OP-704 and  
Action Plan)**

<b>TABLE OF CONTENTS</b> .....	<b>2</b>
<b>EXECUTIVE SUMMARY</b> .....	<b>3</b>
<b>1. INTRODUCTION</b> .....	<b>4</b>
1.1. INTRODUCTION TO THE EVALUATION PROJECT .....	4
1.2. METHODOLOGY .....	5
<b>2. SUMMARY OF MAIN MESSAGES AND THEMES</b> .....	<b>7</b>
2.1. DISASTER MANAGEMENT: FOCUS ON EMERGENCY RESPONSE .....	7
2.2. IDB DISASTER POLICY AND PRACTICE: UNDER UTILIZED .....	7
<b>3. DEVELOPMENT AND PUBLIC POLICY CHALLENGES POSED BY NATURAL DISASTERS</b> .....	<b>8</b>
3.1. DAMAGE: A SIGNIFICANT ANNUAL PROBLEM .....	8
<b>4. IDB DISASTER PROGRAMS AND CLIENT COUNTRIES</b> .....	<b>12</b>
4.1. COUNTRY NEEDS IN DISASTER MANAGEMENT .....	12
4.2. FAMILIARITY WITH AND EFFECTIVENESS OF IDB DISASTER POLICY .....	14
<b>5. AREAS OF OPPORTUNITY</b> .....	<b>16</b>
<b>REFERENCES</b> .....	<b>17</b>

## Executive summary

In all countries, public sector disaster risk management focuses almost entirely on post-disaster activities. The primary focus remains on emergency response and (partial) rehabilitation and reconstruction. When asked to rank the importance of disaster management activities relative to political realities in their countries, survey participants responded as follows, placing highest priority on macroeconomic growth objectives. Disaster management activities ranked in the middle, behind sectoral policy and above social policy and national security.

IDB policy or instruments related to disaster management appeared largely unknown in field offices and key country institutions, according to questionnaire and interview responses. Comments by most Representatives reflected a low level of awareness and strategic vision of IDB disaster management policy and its relevance for day-to-day country operations. In most cases, field offices that were aware of disaster policy were offices in countries, which had requested assistance due to recent major disasters (e.g. Nicaragua, Honduras, and El Salvador). Likewise, field offices in countries that had experienced recent disasters were aware of specific instruments related to emergency response like the ERF and loan reallocation, and the deployment of special disaster management teams from IDB headquarters. Less than 10% of In-country respondents were familiar with the processes and rules for use of instruments other than the ERF and the practice of reallocating existing IDB project resources (loan reallocation). For respondents familiar with the spectrum of IDB instruments for disaster related activities (about 3% of the total sample), respondents indicated that non-ERF instruments were deemed to have unclear eligibility requirements and often required new loan approval processes.

When awareness of IDB activities in disaster management was present, country interviewees often noted that IDB activities had been related to reformulating or reorienting loans for emergency response, rehabilitation or reconstruction. For those that were aware of IDB activities, most were familiar with the IDB's emergency response fund. Few were aware of IDB facilities for pre-disaster activities or other disaster management instruments. Interview and questionnaire responses revealed that either a) the project with a disaster-related component was too new to evaluate the effectiveness or impact or b) IDB policy was not known and not considered relevant to country projects or to country disaster management

Interview responses indicated that countries employ IDB instruments with streamlined processes for obtaining resources and instruments whose rules for use are clear. The pre-disaster objectives of OP-704 were also perceived to be less clearly defined than instruments leaning towards post-disaster replacement of losses. Interviews suggest that a streamlined approval and resource disbursement process makes the ERF attractive. Countries that had used this instrument were very positive about its ability to respond quickly to emergency response needs, which however is already partly rooted in their tendency to prefer reactive over proactive natural disaster-related strategies.

The country visits uncovered at least four areas of opportunity for disaster management in Latin America and the Caribbean. These include

- increasing awareness of proactive disaster policy,
- exploring and developing disaster management solutions that benefit sustainable development, even when disasters do not occur,
- coordinating disaster management strategies regionally, and
- making pre-disaster measures attractive and affordable.

## 1. Introduction

This report summarizes a series of country field trips, interviews, and questionnaire results administered in eight Latin American and Caribbean countries as part of an evaluation of the Inter-American Development Bank's Operational Policy on Natural and Unexpected Disasters (OP-704 and Action Plan). The following section briefly overviews the scope of the project, and the methodology used in the country interviews and questionnaires. The report then summarizes major findings and trends from these interviews and questionnaire responses.

### 1.1. Introduction to the evaluation project

The Inter-American Development Bank (referred throughout the report as "IDB" or "the Bank") recognizes natural disasters and unexpected disasters as a threat to the optimal economic and social development of its member countries and to a range of operational and non-operational activities. Natural disasters include disasters such as earthquakes, floods, windstorms (hurricanes and tropical windstorms), landslides, tidal waves (tsunamis), volcanic eruptions, droughts, forest fires, and erosion, or a combination thereof. Unexpected disasters are mainly due to technological hazards originating from technological or industrial accidents, dangerous procedures, infrastructure failures or specific human activities. Some examples for unexpected disasters are industrial pollution, nuclear activities and radioactivity, toxic wastes, explosions, oil and chemical spills or terrorist attacks. The combination of hazard exposure and human activities, settlements and assets often leads to loss of life or injury, property damage, social and economic disruption or environmental degradation.

In recent years, the Bank has devoted resources to the articulation and implementation of policy guidelines and programs<sup>1</sup> to help member countries better address the natural hazards they face. The Bank's Operational Policy on Natural and Unexpected Disasters (OP-704)<sup>2</sup> and the related IDB Action Plan<sup>3</sup> represent the current policy guidelines to Bank operations and to member countries for disaster risk management.

As part of an ongoing effort to improve disaster-related policy and programs, the IDB's Office of Evaluation and Oversight (OVE) has conducted a series of reviews to help the Bank meet borrowing member country needs in disaster risk management.<sup>4</sup> These activities highlighted the complexity of the issues and suggested the need for deeper and more detailed analysis. With IDB Board authorization, OVE contracted the World Institute for Disaster Risk Management

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<sup>1</sup> The IDB uses Operational Policies (OP) to provide consistent guidelines for Bank activities in a range of areas. These policies include chapters on: objectives; fields of activities and related priorities; and basic guidelines.

<sup>2</sup> *OP-704 Natural and Unexpected Disasters, IDB Operational Policies*, Approved by the Board of Executive Directors of the Inter-American Development Bank in November 1998, revised in 2000 (cf. document GP-92-15).

<sup>3</sup> *IDB Action Plan: Facing the Challenge of Natural Disasters in Latin America and the Caribbean*, IDB Sustainable Development Department, March 2000.

<sup>4</sup> OVE's evaluation of the Emergency Reconstruction Facility (ERF) last year was a contribution to this larger effort, as is on-going work under the Regional Policy Dialogue (Natural Disasters Network), (cf. RE-264, May 1, 2002). OVE has consulted closely with the management on these aspects of the evaluation so that its product can contribute most effectively to the re-design of the OP-704 and the Action Plan.

(DRM)<sup>5</sup> to evaluate the Bank’s Operational Policy on Natural and Unexpected Disasters (OP-704). Resources from the IDB–Swiss Consultant Trust Fund<sup>6</sup> were used to fund this evaluation.

## 1.2. Methodology

### Methodology

The information summarized in this report was collected by a team of experts who participated in the evaluation process. DRM selected these individuals based on their expertise and participation in a network for applied research, implementation and dissemination. The team members represent diverse regional and professional backgrounds and with significant representation from IDB borrowing countries. Under OVE’s direction, the DRM conducted the evaluation process and bases this summary report on:

- Field missions and interviews to 7 countries (Annex V: Activity Report and Annex VI: Questionnaire) in May and June of 2003
- Interviews with key IDB personnel in Washington, DC
- Administration and evaluation of questionnaires

Field missions

Field missions were carried out to collect data for a series of tasks, outlined below. The selection of the countries was based on the investigation reported on in the final report for this evaluation, and in discussion with OVE. Main criteria for the selection of the countries were: hazard pattern, actual damage pattern, regional representatively, IDB loan activities. The table below summarizes the evaluation teams that visited each country.

<sup>5</sup> DRM, the World Institute for Disaster Risk Management, is an independent disaster research institute located in Alexandria, Virginia. The contract between DRM and OVE, HRD.3.059.00-C, was signed on April 22, 2003.

<sup>6</sup> The Swiss Fund was established pursuant to an Agreement “Establishing a Technical Cooperation Trust Fund for Consulting Services and Training Activities” dated December 22, 1994. The Agreement was signed by the President of the Bank pursuant to Resolution DE-51/91, which delegated to the President the authority to enter into agreements to establish trust funds for technical cooperation activities consistent with the guidelines of Document GN-1708. The Agreement contemplates using the Swiss Fund for evaluations in the context of Bank technical cooperation, among other purposes.

Table 1

Country	Team members	
<b>Bolivia</b>	<b>Region specialist:</b>	Tanya Corrales
	<b>Team:</b>	Koko Warner, Geraldine Zosso
<b>Peru</b>	<b>Region specialist:</b>	Tanya Corrales
	<b>Team:</b>	Koko Warner, Geraldine Zosso
<b>Jamaica</b>	<b>Region specialist:</b>	Jeremy Collmore
	<b>Team:</b>	Walter Ammann, Stefanie Dannenmann, Juerg Hammer
<b>Honduras</b>	<b>Region specialist:</b>	Jeremy Collymore
	<b>Team:</b>	Walter Ammann, Stefanie Dannenmann, Juerg Hammer
<b>El Salvador</b>	<b>Region specialist:</b>	Daniel Bitran
	<b>Team:</b>	Koko Warner, Geraldine Zosso
<b>Nicaragua</b>	<b>Region specialist:</b>	Daniel Bitran
	<b>Team:</b>	Walter Ammann, Koko Warner, Geraldine Zosso, Juerg Hammer
<b>Mexico</b>	<b>Region specialists:</b>	Daniel Bitran and Roberto Meli

The country case studies covered Bolivia, Peru, Jamaica, Nicaragua, El Salvador, Mexico and Honduras. A detailed report from the Dominican Republic was provided by the IDB's field office in Santo Domingo.

Questionnaire

A questionnaire was developed covering all main questions raised in the tasks for the evaluation project. Full results of this questionnaire are summarized in the final report, trends are summarized here. The questionnaire was distributed to all individuals interviewed during seven country fieldtrips, in addition to selected IDB personnel and IDB mission offices. The sampling procedure was purposive, that is, every opportunity was seized to gather questionnaire responses in the field. The data were not gathered in a way that would allow for statistically rigorous analysis. Random sampling, pilot surveys, or creating control and non-control samples were not performed. Neither were biases accounted for which might have been created by non-response. The purpose of the questionnaire was to offer a general feedback mechanism about disaster risk management in borrowing member countries and the degree to which IDB disaster risk management activities in LAC fit with the policy guidelines of the OP-704 and Action Plan. The sample size for questionnaire responses is 35, or about a 40% response rate.

**Organization of this report**

The organization of this summary report follows indirectly the structure of the tasks (and questionnaire and interviews which were based on these tasks) outlined in the main evaluation project, without referring explicitly to the tasks. This report highlights the overarching themes from interviews and results of the questionnaire, again following the structure. Many of these themes reoccurred in questionnaire responses, as well as in interviews in each country visited. The reader will note the reiteration of certain themes throughout the report. The recurrence of themes is intentional: the repetition of certain themes accurately reflects the answers of interviews and questionnaire respondents about disaster management in Latin

America and the Caribbean. The executive summary, however, provides a brief overview of themes that are repeated in this summary report.

Section two summarizes the main messages and themes that emerged from interviews and questionnaires about disaster risk management in LAC countries. Section three summarizes findings related to development and public policy challenges posed by natural disasters. Section four discusses findings related to the IDB's disaster programs in client countries. Section five highlights four areas of opportunity that could enhance the IDB's role in helping client countries manage disaster risk.

## **2. Summary of main messages and themes**

### ***2.1. Disaster management: Focus on emergency response***

#### **Natural disasters in Latin America and the Caribbean (LAC)**

Natural disasters in Latin American and Caribbean countries inflict serious damage yearly and impede the development process. Given the serious nature of this damage, and particularly its impact on poverty, the focus of disaster management programs appears to be somewhat affected by disaster magnitude and frequency. Interviews found that, for countries without a major country-wide disaster in recent years, the focus of disaster management is on emergency response. Interviews suggested that emergency response activities absorbed most of the disaster finance available. For countries that had experienced a major country-wide disaster in recent years, awareness of the need for prevention and risk reduction is relatively high. However, actual implementation is just beginning. Obstacles include a lack of low cost resources that do not increase existing debt, and low institutional capacity for disaster management.

Beyond emergency response, some progress in other disaster management activities has occurred. However, these activities are more difficult to assess. From country to country, different definitions existed for disaster management activities. No clear and consistent understanding of the meaning of terms commonly used in disaster management dialogue exists. For example, preparation (activities that help potentially affected people to know what actions to take in the case of an emergency) is commonly interpreted to be a prevention activity. Mitigation had a number of meanings to interviewees, as did prevention. Some interviewees, for example, had very specific structural definitions while others used broader definitions that encompass sustainable development.

### ***2.2. IDB disaster policy and practice: Under utilized***

The evaluation also assessed disaster management policy and activities at the IDB. Outside of specific professional groups at the Washington, DC headquarters, Bank staff were largely unfamiliar with the IDB's disaster management policy (OP-704 and the Action Plan). Day-to-day operations did not incorporate considerations of risk on a routine basis.

General understanding of disaster management tended to focus on disaster response, rather than the spectrum of pre- and post-disaster activities, which the Bank currently supports. Additionally, many departments of the IDB in Washington, the field offices, and national and sub-national institutions within client countries were mostly unaware of the types of tools the IDB offers for the management of disasters. The mechanisms that were widely known—project reorientation or reformulation following a disaster, and the ERF—were generally understood to be

the Bank’s operational policy on disaster management. These instruments are welcomed by countries because they do not require new debt and their design facilitates a more rapid disbursement of resources than do new loans or projects. The majority of interviewees and questionnaire respondents indicated they were not aware of other tools, nor how such tools can be used for effective disaster management.

### **3. Development and public policy challenges posed by natural disasters**

#### **3.1. *Damage: A significant annual problem***

One of the most significant findings from interviews was that disasters in general are an annual problem at either the national or regional level (high frequency), although the type and magnitude of event varies. Interviewees consistently noted that disasters are an implicit development theme, even when they are not explicitly categorized as such.

Interviewees commented on two “disaster myths” that influences current approaches to disaster management. The first myth holds that disasters provide an opportunity for developing countries to replace obsolete infrastructure using abundant international development assistance post-disaster. The second myth supports the idea that disasters do not affect developing countries in the wider development perspective. Underlying the idea is the assumption that the affected—the poor, the government, various development projects—are not negatively impacted in the long term. The policy response to this myth is the perception that emergency response is the appropriate and sufficient general disaster management strategy for a country. However, most interviews indicated that disaster damage is more widespread and far-reaching than direct-damage estimates suggest. For example, in most cases reconstruction is incomplete and many buildings are never rebuilt or sufficiently rebuilt. Some interviewees reported that disaster-related projects with a short-term focus can rebuild vulnerability. Interviews implied that many reconstruction projects insufficiently accounted for pre-existing risks and rebuilt vulnerabilities. In El Salvador, e.g. the municipality of Cuscatancingo implemented an IDB reconstruction program (utilizing the ERF) for earthquake victims. The program provided provisional building materials such as tin roofing to quickly re-establish shelters. Due to lack of resources and restrictions in space, houses were often rebuilt only partially and in the same hazard-prone areas. The director of reconstruction services for the community noted that while the activity provided immediate shelter and relief, the precarious structures remained in a very vulnerable state.

#### **Public sector disaster risk management, current strategies**

Interviews and questionnaire responses indicated that economic and social development priorities were considered highest, whereas disaster risk management (including disaster finance) was considered least. Several interviewees noted that the discrepancy between (particularly financial) impact and priority given to managing these impacts, contributed to a negative cycle of development.

Socioeconomic development  
high-priority, disaster risk  
management low-priority

Table 2

Relative importance (1 = most important priority)	Spectrum of political priorities
1.	Macroeconomic and fiscal policy
2.	Sectoral policy (agriculture, busin ess, industry, etc.)
3.	Disaster management activities
4.	Social policy (health, education, pensions, etc.)
5.	National security

Survey participants were asked to compare actual disaster-related priorities that their countries with the priority the measure should have. In countries where major natural disasters have occurred recently the awareness of the need for pro-active, pre-disaster management and activities is increasing, yet actual disaster management practices remain reactive and post-event in general. Questionnaire responses indicated that emergency response was the highest current disaster management priority, while prevention was the lowest actual priority In contrast responses indicated that prevention, followed by disaster preparedness *should* have the highest disaster management priorities. The question responses yielded the following rankings:

Table 3

Priority ranking of disaster management measures (1 = highest priority)	<u>Actual</u> disaster-related priority for respondent's country	Priority disaster-related measure <u>should</u> have
1.	Emergency response	Prevention
2.	Mitigation	Mitigation
3.	Rehabilitation and reconstruction	Rehabilitation and reconstruction
4.	Disaster preparedness	Disaster preparedness
5.	Prevention	Emergency response

Interviews also suggested that most countries lack a coherent, consistent strategy to disaster management. One interview in Nicaragua (Ministry of External Relations) specifically noted that because of his country's status as a highly indebted country, in the past it has been willing to accept whatever resources (and attached obligations) have come, so that activities with international organizations in general are a mosaic of strategies and approaches (no coordination, no coherence in strategy or activity focus, often incomplete implementation).

Interviews indicated that the public sector in their countries devoted only very limited public resources for disaster management activities. Both interviews and questionnaire responses outlined the underlying incentive structure that affects decision making in the public sector, discussed in greater detail below. One interview indicated that public decision makers have incentives to build large infrastructure projects, but did not have as much motivation to provide sufficient public financing to properly maintain such infrastructure in ways that would help it withstand a natural disaster (Bonnick 2003). An interview in Bolivia noted that, with so many other pressing development needs, there was little motivation to use limited public sector resources for disaster management (Carrasco 2003). Several interviews noted that the public sector in their country did not insure public assets,

or invest sufficiently in measures that would reduce risk from disaster damage (Luocel 2003; Quiras 2003).

### Disaster finance

Survey participants were asked to describe how their countries currently finance disaster management activities and disaster losses. The following table summarizes respondents' rankings of the relative importance of each source of finance, and the estimated cost of these sources. Their answers reflect a heavy reliance on post-disaster lending and community solidarity. Interviews revealed that the poor and local communities bear the largest uncompensated burden of disaster damage. Additionally the interviews noted that, unlike assumed in many reports, the poor and local communities as a rule do not receive adequate compensation or support payments from the central government. The poor often bear the largest burden of disaster damage and negative disaster impacts of disasters may not be measured. Because the poor own informal assets, have informal employment, and may have difficulty accessing affordable credit, their losses often go uncompensated and unreplaced entirely.

Table 4

Priority ranking of disaster finance resource (1 = most important)	Source of financial resources for disaster-related spending	Estimation of the cost of this financial resource (1 = most costly)
1.	Post-disaster lending	1. most costly resource
2.	Community solidarity	5.
3.	Post-disaster grants and aid	6. no cost for grants or aid
4.	Insurance and reinsurance	2.
5.	Reserve fund	4.
6.	Contingency credit	3.

Countries rely on official transfer, lending, and community solidarity to pay for losses

Post-disaster finance sources were the most widely used finance sources. Respondents noted a heavy reliance on international assistance (aid and grants) and forms of low-cost resources. Because these funds are available immediately following a disaster, resources are almost universally dedicated to emergency response and rehabilitation, and some reconstruction. For disaster financing needs that exceeded the internationally available aid, countries choose to either forego disaster rehabilitation or to assume additional loans. Pre-disaster finance tools such as contingency credit, reserve funds, and insurance and reinsurance were largely unused according to respondents. To date, domestic funds for disaster management are non-existent in almost all of the countries visited.

Post-disaster lending considered most expensive means to pay for losses

Interestingly, the most costly source of financial resources, post-disaster lending, was indicated as the most frequently relied-upon means of paying for disaster losses. Respondents indicated that they considered grants and official transfer, and community solidarity the least-costly resources for disaster finance. Yet, post-disaster lending was considered the most expensive source by the interviewees, without having any further explanations for this assumption. This implies that LAC countries may experience acute disaster financing problems if low-cost resources are not available. Failing to plan for pre-disaster resources and following the current strategy to rely on traditional sources for disaster finance needs can imply costly debt or foregone development opportunities for countries pursuing implicit post-disaster financing strategies. The assumption of availability of low-cost resources such as external official transfer may be imprudent.

Respondents indicated that the way their countries currently pay for disaster losses can force these countries to sacrifice other development priorities. Among these, economic growth was considered the most seriously negatively affected development priority, followed by social (health, education, etc.) and poverty reduction. Several interviews indicated that assuming additional loan burdens compromised sustainable economic development (Finance 2003; Galindo 2003).

### **Incentive structures that motivate disaster management decisions**

Survey participants were asked to indicate the incentives and disincentives that affect disaster management choices. Overall, respondents indicated that post-disaster activities were more widely undertaken than pre-disaster. For example, 43% of respondents indicated that some form of prevention was undertaken in their country, and 58% indicated that mitigation was undertaken. Disaster preparedness was the pre-disaster activity, which received the highest response—89% of responses indicated that disaster preparedness was undertaken in their country. The interviews pointed towards significant disincentives to use public resources in pre-event activities. The most frequently mentioned disincentives for pre-event activities included that such pre-event activities compete with other development activities in resource demand, lack of public visibility, lack of institutional capacity for pre-event activities.

In contrast, 93% indicated that emergency response was undertaken, 96% and 94% indicated that rehabilitation and reconstruction, respectively, were undertaken in their countries following disasters. Respondents provided insight about the types of incentives underlying each type of pre- or post-disaster activity. The top three disincentives for prevention activities were the difficulty of obtaining resources pre-event, the ability to achieve consensus about prevention, and the lack of public visibility of preventive measures. Interviews and questionnaire responses revealed a large gap between recommendations and ideals of OP-704 and actual disaster management focus within countries: many of these issues relate to negative incentives for implementing integrated, coherent, and proactive disaster management policies. Within countries, few incentives exist for pre-disaster activities while IDB instruments and practices (loan reorientation and reformulation) encourage reactive disaster management.

Interviews at IDB headquarters and in the field suggested that institutional incentives reinforce practical emphasis on emergency response. Because certain IDB tools provided powerful incentives such as timely and relatively easy access to resources, as well as domestic incentives such as the ease of obtaining consensus about post-disaster activities and public visibility, interviews consistently pointed to the use of loan reallocation and the ERF. Political considerations and public visibility lead countries to favor ERF and loan reallocation. In-country political considerations and public visibility of disaster management activities also influence disaster management choices in client countries. Disaster management has a low relative political priority and many interviews reflected an aversion to incurring additional debt for disaster-related activities (Finance 2003; Subminister 2003). Some respondents noted that they prefer to reallocate resources from existing IDB projects to obtain resources, even when those resources were used solely for post-disaster activities. The specific design of the ERF allows countries to access a specific amount of financial resources, but these resources (although debt) do not count against the country's overall loan limit. Loan reallocation represents resources that have already been approved and therefore do not compete with new loans for development. The disaster-related instruments for pre-disaster activities do not provide such incentives. Other instruments, such as the Prevention Facility, may require new loans and new debt. Even if these loan amounts are small, the political aversion to incurring debt may bar countries from requesting assistance for

pre-disaster projects. Replies indicated that countries preferred lower-cost, non-loan funds like technical assistance and were generally less enthusiastic about requesting new projects specifically for disaster management. Such loans—which are intended to focus on pre-disaster activities such as mitigation—compete with other development priorities before disaster have actually occurred.

#### 4. IDB disaster programs and client countries

After commenting on disaster management priorities and the current situation in their own countries, questionnaire respondents and interviewees provided insights about the disaster management services provided by the IDB to borrower countries.

##### 4.1. Country needs in disaster management

Questionnaires indicated that countries need support in areas that help decision-makers better understand what disaster management activities should be chosen, and what possible outcomes of those activities might be. The table below highlights country capabilities, according to questionnaire responses. Interviews also emphasized that because of the low capacities mentioned, it is often more feasible to implement post-disaster activities than pre-disaster ones.

Table 5

Area		No capacity	Low capacity	Moderate capacity	High capacity
Disaster management	Disaster preparedness		X		
	Risk reduction		X		
	Emergency response			X	
	Reconstruction and rehabilitation			X	
Technical capacity	Hazard mapping			X	
	Infrastructure information			X	
	Value-at-risk information	X			
	Disaster databases			X	
	Loss potential studies		X		
Institutional capacity	National institutional capacity		X		
	Coordination of disaster management		X		
Financial capacity	Paying for emergency response	X			
	Paying for disaster damage	X			
	Financial support for disaster management		X		

Questionnaire responses showed that country capacity for risk reduction was considered very low. Interview responses highlighted that reducing risk before a disaster requires better information and technical and institutional capacity.

Respondents felt that the areas of national institutional capacity to manage disasters, and the ability to coordinate activities with NGOs and international organizations were very low. Likewise, the ability to execute loss potential studies or gather and assess information on values at risk were considered very low.

Technical capacity in areas such as hazard mapping, building disaster databases, and gathering and assessing information on infrastructure were considered moderate in Latin America and the Caribbean. Interviews repeatedly emphasized the important role which organizations like the Inter American Development Bank play in developing technical capacity, primarily from TCs. Additionally, while countries often receive technical and other forms of external assistance following disasters, the types of information needed to achieve decision-making consensus on pre-disaster activities and risk reduction are difficult to obtain. Countries need technical support and resources before disasters to create disaster risk management capabilities such as risk analysis, value-at-risk studies, and better understanding of the economic and social impacts of natural disasters.

According to all interviews in each country, institutional capacity remains an important barrier for effective disaster management. For example, many countries lack sufficient coordination and planning capacity to implement a coherent disaster management strategy at any given level or across levels (national, regional, local). The result is that disaster management activities tend to be disjointed and sometimes uncoordinated. Some efforts are repeated by different agencies (both national and international). For example, many interview respondents noted duplication of disaster management activities by the IDB and the World Bank. The efficacy of limited resources for the purpose of disaster management is low.

For example, the ability to achieve consensus on what type of activities should be undertaken may skew disaster risk management choices towards post-disaster measures. Interview responses indicated that saving human lives (a key facet of emergency response), and reconstruction activities enjoy high levels of consensus. While countries often receive technical and other forms of external assistance following disasters, the types of information needed to achieve decision-making consensus on pre-disaster activities and risk reduction may be difficult to obtain. Pre-disaster activities tend to face greater obstacles in gaining support due to lack of urgency, an abundance of competing ideas about priorities, and a low level of knowledge of appropriate disaster risk reduction measures. The ability to manage natural disasters requires personnel and an integrated strategy with planning capability, something many respondents indicated as lacking. Additionally, countries need technical support and resources before disasters to create disaster risk management capabilities such as risk analysis, value-at-risk studies, and better understanding of the economic and social impacts of natural disasters. The ability to manage natural disasters requires personnel and an integrated strategy with planning capability, something many respondents indicated as lacking.

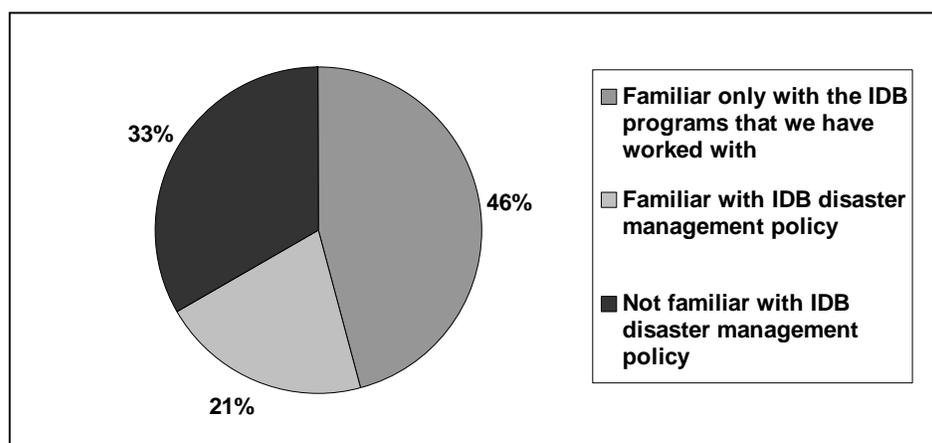
Finally, questionnaire respondents felt that their countries had no disaster finance capacity. This finding is interesting because these countries were considered to have moderate capacity for post-disaster activities. The result may reflect the heavy dependence on the international community in providing financial resources to pay for emergency response and reconstruction. Countries require resources for disaster management, but IDB activities and instruments which are actually used (emergency response fund, project reformulation or reorientation) respond primarily to country needs for emergency response, and less to reconstruction. The areas of greatest need were generating value-at-risk information, and paying for emergency response and disaster damage. A noticeable lack of involvement by international capital markets may be explained in part to lack of important information such as infrastructure values and building quality. Capital markets require such information

about values at risk before providing financial services. International organizations that provide disaster assistance do not yet adequately address country needs in “proactive” disaster management areas such as: risk mapping, vulnerability studies, valuation of assets at risk, livelihood protection for the poor, risk reduction and no regrets development solutions (including appropriate prevention and mitigation activities), information systems, studies of past disaster losses and nation-wide databanks, early warning systems, institutional coordination of disaster management, and financial risk transfer and disaster management.

#### **4.2. Familiarity with and effectiveness of IDB disaster policy**

Interviews and questionnaire responses indicated that IDB policy guidelines on disaster management (OP-704 and the Action Plan) have had a limited influence on IDB and in-country discussions, planning, reforms, or implementation of disaster-related activities. Several factors in this limited effectiveness appeared during the research: awareness of IDB policy guidelines, the balance and design of IDB instruments, and the role of IDB field offices.

**Figure 1. Familiarity with the disaster management policy**



In many countries, IDB policy and disaster-related instruments were not considered significant in the creation and strengthening of national systems and policies for disaster management. Some exceptions exist in this trend, such as Nicaragua’s strengthening of local public health emergency response capabilities (Amador 2003). Also in Nicaragua and Bolivia, two interviews indicated that the IDB plays an important role in providing continuity in disaster management guidelines, in the face of constant change in political priorities and institutional landscapes in client countries (Basurto 2003; Finance 2003).

Interestingly, the questionnaire revealed that few respondents considered IDB activities relevant to risk management in their country. OP-704 recommends six specific areas where the IDB should positively influence disaster management in its client countries, yet interviews and questionnaire responses revealed that either the IDB policy guidelines were not known, not considered relevant, or were not applied in projects in the countries considered. Interviews revealed that the IDB does not consistently take part in helping countries develop coherent disaster management strategies, except for specific projects and TCs most interviewees and questionnaire respondents considered the IDB policy guidelines to be either not relevant or had no real knowledge of what the guidelines were. *However*, questionnaire responses also indicated that 80% of respondents felt that the IDB responded “moderately” to “very” effectively to emergency response needs of a

country, but pre-disaster activities were considered less effective. This seeming paradox may be explained by attitudes that development and disasters are not related to each other. Interviews suggested that the IDB's participation in the development process in Latin America and the Caribbean was visible and appreciated. But because disasters are generally not viewed as a development issue, IDB activities in disaster management were not considered relevant to the country's development. Individual interviews, especially with country offices where IDB disaster management specialists had visited during times of disaster, reflected a high degree of respect and appreciation for the types of disaster management work the Bank is undertaking. Disaster teams that have visited Central America and the Caribbean, for example, were considered to be very helpful in helping the country in the post-disaster phase (Amador 2003; Cruz 2003; Lacayo 2003).

IDB policy guidelines for disaster management are far-removed from actual disaster management in countries visited, not because the vision is incorrect but because the vision does not match the current conception of development and disasters. For example, the IDB's institutional focus on development loans. Again, because disasters are generally not seen as a development issue, risk reduction and other disaster management activities are not seen as considered central development objectives for bank programs and projects. Likewise, the Bank's current day-to-day practices and scope of instruments used may reflect a vision of development that does not account for risk. Instrument design and implicit incentives may overlook the role that disasters play in the course of a country's economic and social development. The most-often utilized tools emphasize rapid fund appraisal and disbursement, funds that do not cause greater indebtedness, funds that do not require the lengthy process of a new project proposal, and funds that do not compete with limited resources for other development priorities.

**Box 1: Role of the Field Offices: Reactive or proactive?**

Some interviews with IDB personnel reflected the view that risk management is not yet a pervasive part of overall strategies at the Bank, either in development strategies in partnership with client countries or in operational activities like project design and implementation. Interviews in field offices reflected an understanding that field officers were there to respond to the needs of client countries and facilitate the implementation of operations. Yet in matters related to risk, this responsive character of field offices may slow the development of national disaster risk management systems.

Field offices can also utilize their unique relations in country dialogues to help promote a vision of disaster management consistent with OP-704 and the Action Plan. For example, some initiatives in Central America and the Andean Region have included disaster management themes in strategic dialogues between field offices and country officials. Such initiatives in the future might meet the vision of the Action Plan.

Currently, the majority of questionnaire respondents felt that IDB activities had a neutral effect on the development of national systems and policies for disaster prevention, while only 5% felt that IDB activities strengthened this aspect. An appropriately proactive role for field offices might also encourage effective risk reduction and the needs of the poor. At the present, 35% of respondents felt that IDB activities discouraged effective reduction of disaster vulnerability for the poor and half of the respondents said that IDB activities tend to discourage the participation of the private sector in disaster management.

## 5. Areas of opportunity

Based on the in-country evaluation of disaster management policy, several areas of opportunity emerge. These opportunities, if taken, could increase the efficacy of IDB programs and operations in reducing disaster risk in client countries. The areas focus on the need for proactive disaster management which reduces risk before an event, undertakes activities that foster sustainable development even in the absence of disasters, and finds affordable ways to finance risk management.

### **Increase awareness of proactive disaster policy.**

Greater familiarity with OP-704 and the Action Plan could provide an impetus for disaster management as a part of activities designed to promote sustainable development. Interviews with IDB personnel in Washington, DC and in field offices acknowledged that while the impacts of disasters are very serious, disaster management takes a low current priority relative to other IDB project foci, such as economic and social goals. Field officers noted that specific disaster-related activities—such as risk mapping and risk analyses, the improvement of infrastructure maintenance, and early warning systems—were needed to enhance economic and social sustainability in their country, yet these same respondents described themselves as unfamiliar with the IDB’s policy on disaster management . portfolio has been reviewed.

### **Find disaster management solutions that foster sustainable development.**

Although current disaster management focuses on post-disaster activities, questionnaire and interview respondents acknowledged the desirability of pre-disaster risk reduction. These activities include pre-disaster financial planning, and a longer-term vision of how risk management fits into overall goals to achieve sustainable development. Interviewees in several countries responded that many development activities are activities that could achieve both risk reduction and longer-term sustainable development (water management, soil and forestry management, etc.).

### **Coordinate disaster management strategies.**

There is little or no inter-country coordination of disaster management strategies. One respondent in Nicaragua felt that regional dialogue in countries where disasters are “shared” might increase the efficacy of disaster management activities. Further, interviewees suggested that countries need to maintain a consistent personnel base with disaster expertise. The IDB’s ongoing Regional Policy Dialogue is one of the many ways that the Bank is already addressing this need.

### **Make pre-disaster measures attractive and affordable.**

Interviews and questionnaire responses indicated a high-awareness of the importance of risk reduction, but also noted that the current incentive structures work against implementing such pre-disaster activities. Some suggested that increasing technical capacity—such as risk mapping and analysis, development of information and databases to support risk analysis, the development of financial capacity—could foster pre-disaster measures. Such measures also need to be affordable. Respondents consistently mentioned that the lack of (affordable) financial and other resources means that most of these needs go unmet.

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