National Systems for Disaster Risk Management in the Context of Governance: Experiences with National Approaches in Latin America and the Caribbean

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Risk Profile for Latin America and the Caribbean

Latin America and Caribbean have a high damage propensity from natural hazards and the tendency is increasing.

- Annual regional losses to disasters since 1975: 5,000 deaths; physical losses worth US$3.2 billion; 4 million people affected.
- Few countries in the region analyzed in a recent IDB study has economic capacity to finance recovery from serious natural hazards.
Governance of Disaster Risk in Latin America and the Caribbean

Disaster prevention is often considered a cost, not an investment.

Donors assume part of the risk for the countries.

Governments assume part of the risk of the private sector.

Incentives do not favor vulnerability reduction.

Countries under-invest in reducing vulnerability.

Risk is not transferred through insurance.

Emphasis on response and not on ex-ante risk management.
Comprehensive Disaster Risk Management

- Ideally incorporates prevention, emergency management and reconstruction in a balanced way
- Incorporates ministries of key sectors
- Promotes decentralization
- Is characterized by continuity in spite of political changes
- Requires the participation of civil society and the private sector with the objective to create a “culture of prevention”
Comprehensive Disaster Risk Management Systems

- Preparations
- Emergency response
- Reconstruction and rehabilitation
- Identification of risks
- Prevention and mitigation
- Risk transfer
- Hazard that may become a disaster
Mixed results of institutional developments

- Most governments in the region still mainly rely on emergency response
- Some countries have begun a move towards more comprehensive approaches that include prevention and mitigation
- Decentralization and greater reliance on the private sector are taking place as part of the general modernization of the state process
Three institutional approaches towards more comprehensive disaster risk management

- Amplify existing organization
- Create new, parallel institution
- Build a network

Source: Freeman et al., 2003, IDB.
Key Success Factors

- Explicit and appropriate national disaster strategy
  - integrates with national policy on development and environmental protection
  - is based on vulnerability assessments

- Key players part of disaster risk management process
  - finance ministry, planning agencies
  - sector ministries: housing, public works, energy, agriculture, environment, health
  - local governments
  - private market actors
  - local community leaders, NGOs

- Provisions to ensure sufficient resources for key players to carry out their responsibilities
  - in decentralization, the municipalities should be allocated with the necessary resources

Windows of opportunity.
- common driver for change has been the occurrence of a major disaster
Key Challenges

- Institutional resistance to moving beyond emergency response – apparent in policy, legislation and programs.
  - Main challenge: find ways to promote risk mitigation in an institutional setting which now emphasizes emergency response rather than risk reduction.
  - Institutional changes require a champion to initiate and sustain the process.
  - Successful decentralization of risk management responsibilities will require an adequate allocation of resources to local governments.

- Involvement of civil society and the private sector.
  - Limit the assumption of private sector risk by the government
  - Increase awareness and involve civil society and private markets in disaster management.

  Develop insurance markets and other ex-ante provisions for reconstruction financing.
The task facing policy makers today is to create an effective national system:

- with a comprehensive vision,
- that engages key ministries and senior government policy makers,
- supports local decision making and initiatives,
- and promotes the institutional conditions necessary for the constructive involvement of private-market initiatives, and civil society.