Ensuring Sustainable Development: The need to invest in disaster risk reduction

The Finance for Development Agreement presents an opportunity for disaster risk reduction (DRR) funding to be institutionalised. As negotiations for the Agreement continue, we as members of civil society call on developed countries to commit to:

1) **Incorporate resilience building as a condition for providing Overseas Development Assistance (ODA) to ensure that all new investments are risk informed, reduce risk, and are acceptable for those people who bear any new risk. e.g. through the introduction of resilience markers in funding applications.**
2) **Allocate 5% of ODA as funding for DRR specific activities[1].**
3) **Provide a percentage (50%) of national DRR budgets directly to local governments for community-led DRR projects.**

Disasters are a development issue: they are exacerbated by poor land use planning, poorly constructed infrastructure and environmental degradation. They can also reverse decades of progress in seconds, as we have recently seen in Nepal. Economic disaster losses in developing nations over the last 20 years are estimated to amount to $862 billion - equivalent in value to one-third of all international development aid. And this does not include the high frequency low intensity disasters, also known as extensive risk or "everyday disasters", which often go unnoticed both by media and policymakers. Further, climate change, increasing populations and urbanisation, are expected to amplify disasters in frequency and impact, especially for those groups most vulnerable, including children and youth, women, the elderly, and persons with disabilities.

Research shows that investing in disaster risk reduction (DRR) prior to disasters saves lives, reduces losses, and is far more cost effective than funding response after disasters. While it is too simplistic to assume an overarching cost benefit ratio, a study by the World Bank estimates that on average every USD$1 spent on preparedness saves USD$7 in disaster response.[i] DRR is a long-term investment that needs to be mainstreamed into development rather than solely drawn from short term humanitarian funds.[ii] The importance of building resilience through mainstreaming DRR into development is internationally recognised by the newly agreed Sendai Framework for Disaster Risk Reduction (SFDRR), and the upcoming Sustainable Development Goals (SDGs). Some particular statements are listed below:

- The current draft of SDGs highlights that to achieve Proposed Goal 1 - "End Poverty in all its forms everywhere" - society needs to "build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate related extreme events and other economic, social and environmental disasters".
- Proposed SDG Goal 11 "Make cities and human settlements inclusive, safe, resilient and sustainable" calls for "the significant reduction in the number of deaths, people affected,

and economic losses caused by disasters". This goal also states the need for "an increase in the number of settlements implementing disaster resilience policies".
- Proposed SDG Goal 3 "Ensure healthy lives and promote well-being for all at all ages" calls for the "strengthening of capacities of all countries for early warning, risk reduction and management of national and global health risks"
- The SFDRR calls for states to "build resilience to disasters with a renewed sense of urgency within the context of sustainable development and poverty eradication, and to integrate both DRR and the building of resilience into policies, plans, programmes and budgets at all levels and within relevant frameworks."

In addition to mainstreaming DRR within all development work, there are some specific DRR activities which will require specific attention and separate resources. These include, but are not limited to: comprehensive and participatory risk assessments, strengthening of early warning systems, clarifying accountability within risk mitigation, DRR policy development, capacity building for preparedness, and building awareness within communities of risks and mitigating actions. These activities are fundamental to building the resilience of people, communities and states.

Whilst DRR has been recognised as critical for reducing losses, building resilience, and protecting development gains, this recognition is currently not matched with any commitments to resource it and DRR remains a low priority. Between 1991 and 2010 the international community spent $106.7 billion on programmes designed to assist communities to respond and recover from disasters, of which only 12.7% (USD$13.5 billion) was for DRR[iii]. This represents only 0.4% of the all development aid. Only three donors have spent more than 1% of Overseas Development Aid (ODA) on DRR - Australia, Canada and Japan.[iv] In addition, funding for DRR is focused on only a few countries, and is often available only for post-disaster, when it is too late. Unfortunately, the traditional silo-ing of DRR and development programming has deterred more integrated approaches to building resilience and resulted in missed opportunities to safeguard development investments, leverage funding sources, and capitalize on co-benefits. As financing for DRR tends to come from humanitarian funds, it is often short term. However, since many disaster-prone areas are subject to repeated, low intensity events which erode livelihoods and entrench poverty, it is important that funding can be long term, flexible and accessible at the local level to better reduce the impacts of such slow onset or recurring disasters. At a time when humanitarian budgets are woefully insufficient to meet emergency humanitarian needs, it is more important than ever for development actors to contribute to DRR efforts. There needs to be a shift in global funding priorities to ensure that disasters, and the associated costs to development, are substantially reduced through enhanced risk reduction efforts.

Investing in DRR will reduce the amount of money spent on responses to disasters, will ensure that money already spent on development is not wasted, and will reduce the amount of money required to achieve development goals overall. We as members of civil society implore you to consider the three calls made in this paper at this critical juncture.

Contacts

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[i] UNDP. Act Now Save Later.
[ii] Global Humanitarian Assistance (2012) Disaster Risk Reduction - spending where it should count
[iii] Kellett, J and Caravani, A (2013) Financing Disaster Risk Reduction: A 20 year story of international aid; GFDRR and ODI
[iv] Between 2006 and 2010. Sparks, D. (2012) Aid investment in DRR - Rhetoric to Action. Briefing paper for Global Humanitarian Assistance Report.