| Global Humanitarian Assistance

Aid investments in disaster risk reduction

- rhetoric to action

Briefing Paper

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A DEVELOPMENT INITIATIVE

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Aid investments in disaster risk reduction –rhetoric to action

Introduction

Disaster risk reduction (DRR) is high on the policy agendas of many government donors of official development assistance (ODA), often in conjunction with concerns around increasing investments in emergency preparedness, climate change adaptation and the broader aspiration of building resilience to shocks. This comes at a time when the incidence of natural disasters related to climate change is on the up. At the same time, the impact of disasters in an increasingly populous, urban, and globally interdependent world is set to become ever more wide-ranging and difficult to deal with. However, there is downward pressure on many aid budgets, and the need to extract more value from aid dollars.

In March 2012, the Global Humanitarian Assistance (GHA) programme published 'Disaster risk reduction: Spending where it should count', which examined the levels of donor investment in DRR. The report found that despite the rhetoric, just 1% (US$3.7 billion) of total ODA had been spent on DRR in 40 of the world's poorest and most disaster-affected countries.

Using the latest available data, this briefing paper continues this analysis of ODA investments in DRR in the period immediately following the United Nations' (UN) 2005 Hyogo Framework for Action (HFA), and looks in detail at the policies and investment profiles of 24[1] of the leading ODA donors. The research suggests that despite positive inroads made in promoting DRR on the global agenda, the majority of donors are still failing to allocate significant proportions of their aid budgets to DRR.

Increasing focus on DRR

Reducing risk has become an increasingly common element of donor policy following the adoption of the HFA at the UN's World Conference on Disaster Reduction in Kobe, Hyogo, Japan in January 2005, just three weeks after the Indian Ocean tsunami. The HFA was endorsed by 168 countries as a strategic blueprint for the guidance of national and international efforts to reduce vulnerabilities and risks induced by naturally-occurring hazards and man-made processes.

Following the HFA, a number of countries have written specific policy documents focusing on DRR. Others now recognise DRR within their most recent development and humanitarian policies, and

[1] This includes the 23 countries that are members of the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Korea, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Switzerland, UK and the US) plus the European Institutions.

many have expressed their support at the UN International Strategy of Disaster Reduction's (UNISDR) three Global Platforms for Disaster Reduction (in 2007, 2009 and 2011).[2] Many governments have also demonstrated their financial support to the two main international bodies on DRR, namely the UNISDR and the World Bank's Global Facility for Disaster Reduction and Recovery (GFDRR).

The implementation of and follow-up to the strategic goals and priorities for action set out in this Framework for Action should be addressed by different stakeholders in a multi-sectoral approach, including the development sector. States and regional and international organizations, including the UN and international financial institutions, are called upon to integrate disaster risk reduction considerations into their sustainable development policy, planning and programming at all levels. Civil society, including volunteers and community-based organizations, the scientific community and the private sector are vital stakeholders in supporting the implementation of disaster risk reduction at all levels.

(Hyogo Framework for Action, 2005–15)

[2] The main forum for continued and concerted emphasis on disaster reduction, providing strategic guidance and coherence for implementing the Hyogo Framework, and for sharing experiences and expertise among all its stakeholders.

Figure 1: Key donor actions relating to DRR following the Hyogo Framework for Action

Donor	Endorsed HFA	Global Platform for DRR statement of support issued	Financial support to UNISDR 2006–10	Financial support to GFDRR 2006–11	DRR-specific policy	Key action since HFA
Australia	Yes	Yes	Yes	Yes	Yes	Developed DRR policy 'Investing in a Safer Future: A Disaster Risk Reduction Policy for the Australian Aid Programme' (2009)
Austria	Yes	No	No	No	No	Mentioned in current humanitarian policy
Belgium	Yes	No	No	No	No	Mentioned in current humanitarian policy
Canada	Yes	Yes	Yes	Yes	No	Financial support to UNISDR and key supporter of Caribbean Catastrophe Risk Insurance Facility
Denmark	Yes	Yes	Yes	Yes	Yes	Developed guidelines for DRR in Development and Humanitarian Assistance (2007)
EU institutions	Yes	Yes	Yes	Yes	Yes	DRR strongly featured in recent communication focussing on the EU's approach to resilience 'EU approach to resilience: learning from food security crises' (2012)
Finland	Yes	Yes	Yes	No	No	Promotes integration of risk management and emergency preparedness in aid policy
France	Yes	Yes	Yes	Yes	No	Expressed support of DRR during 2011 Global Platform, particularly around preparing for mega-disasters
Germany	Yes	Yes	Yes	Yes	Yes	Created the German Committee for Disaster Reduction, which developed guidelines for DRR initiatives and served as the German HFA focal point institution in 2011
Greece	Yes	No	No	No	No	Unknown
Ireland	Yes	No	Yes	Yes	No	Mentioned in current humanitarian policy
Italy	Yes	Yes	Yes	Yes	No	Expressed support of DRR during 2011 Global Platform
Japan	Yes	Yes	Yes	Yes	Yes	Japan International Cooperation Agency (JICA) produced specific guidelines for DRR: 'Building Disaster-Resilient Communities and Societies' (2008)

Korea	Yes	Yes	Yes	No	No	Expressed support of DRR during 2011 Global Platform
Luxembourg	Yes	No	Yes	Yes	No	Mentioned in current humanitarian policy, with particular emphasis on issues of environmental protection and climate change
Netherlands	Yes	Yes	Yes	Yes	No	Funds the Partners for Resilience programme (2011), an alliance of Dutch NGOs aimed at strengthening resilience and capacity at local level
New Zealand	Yes	Yes	No	No	No	New Zealand Aid's 'Environment in International Development' (2006) mentions the goal of enhancing preparation for natural disasters
Norway	Yes	Yes	Yes	Yes	No	Norway's polices and strategies on risk reduction are documented in several government white papers, including 'Norwegian Policy on the Prevention of Humanitarian Crises' and 'Norway's Humanitarian Policy' (2007)
Portugal	Yes	Yes	No	No	No	Includes DRR concerns in its development and humanitarian aid policies
Spain	Yes	Yes	Yes	Yes	No	Master Plan for Spanish Cooperation 2009–12 emphasises the importance of risk reduction and disaster prevention in line with Hyogo principles
Sweden	Yes	Yes	Yes	Yes	No	Strategy for DRR has focused bilateral humanitarian DRR support on global and regional mechanisms; largest donor to UNISDR
Switzerland	Yes	Yes	Yes	Yes	Yes	Swiss Agency for Development and Cooperation (SDC) produced 'Guidelines on DRR' (2008). DRR is one of four priority areas of humanitarian aid
UK	Yes	Yes	Yes	Yes	Yes	Department for International Development (DFID) Strategy Paper focusing on resilience:, 'Promoting innovation and evidence-based approaches to building resilience and responding to humanitarian crises' (2012)
US	Yes	Yes	Yes	No	No	Under the leadership of the Obama administration, the US government remains committed to strengthening its role in DRR, both at home and abroad (Global Platform statement, 2011)

Source: GFDRR, UNISDR, national government policy documents

DRR International Bodies

The World Bank-managed GFDRR is the only operational fund that is solely focused on DRR and carries out both global and country-level projects. Around 70% of its funding comes from humanitarian aid budgets, and it has received almost US$200 million since its inception in 2006.

The top five funders of GFDRR since 2006 have been the EU institutions (US$45 million), Sweden (US$27 million), Australia (US$17 million), the UK (US$13 million), and Japan (US$12 million); this excludes the World Bank itself, which has contributed US$24 million. Funding to GFDRR doubled from US$44 million in the period 2006–8 to US$88 million in 2010–11.

The UNISDR is mandated to coordinate global efforts on DRR. UNISDR also supports the creation of national platforms that aim to coordinate the implementation of the HFA.

Sweden has been the largest contributor to UNISDR, giving US$20 million in the last five years (2006–10). Other top donors include the EU (US$13 million) and the UK (US$10 million). Global financial support to UNISDR increased from US$2 million in 2000 to US$29 million in 2010.

From rhetoric and policy to action and investment

While most donors seem to agree that financing measures to reduce risk can lessen impact, quicken recovery and result in lower levels of assistance, there is continuing uncertainty as to whether this is happening in practice. Despite the positive inroads made since the HFA in 2005 in terms of promoting DRR on the global agenda, there still appears to be a gap between rhetoric and policy recognition on the one hand, and action and investment on the other.

"*The challenge, therefore, is moving from these compelling words to tangible and life changing action*." (Margareta Wahlstrom, UN Secretary General's Special Representative for DRR, 2012)

"*The response to crises like the Haiti earthquake, Pakistan floods or drought and famine in the Horn of Africa show the human consequences of a lack of sustained commitment by donor governments for prevention, preparedness, risk reduction and long-term recovery efforts*." (DARA Humanitarian Response Index, 2011)

Uncertainty continues as to where DRR sits within the current aid system and who should take responsibility to lead the push for more investment and coordination. Complexity remains around terminology, and particularly around coordination and funding mechanisms. The diversity of activities relating to DRR means that a wide range of government departments are potentially engaged in the process. Current efforts traceable within aid spending statistics appear to be often tied to humanitarian budgets, coordinated by humanitarian aid departments, and often associated with response and early-recovery programmes.

Donor spending on DRR

Participants at the second session of UNISDR's Global Platform for Disaster Reduction recommended that the equivalent of 10% of humanitarian funding and 10% of post-disaster reconstruction funding should be allocated towards DRR work. They also proposed that DRR should constitute at least 1% of all development funding.

Some donors have actively earmarked a proportion of their annual humanitarian budget towards DRR. For example, in December 2004, the UK's DFID announced a commitment to allocate approximately 10% of the funding it provides in response to natural disasters on DRR to lessen the impact of future disasters.[3] In 2012, the Netherlands Ministry of Foreign Affairs expressed its desire to earmark 10% of its emergency aid budget for increasing the resilience of people in developing countries in order to help prevent humanitarian disasters.[4]

The next section of this report analyses the volumes of the Organisation of Economic Cooperation and Development's Development Assistance Committee (OECD DAC) donors' ODA spending towards DRR between 2006 and 2010, and assesses the extent to which they are meeting the Global Platform-recommended targets.

DRR funding by OECD DAC donors 2006–10

Tracking DRR within international ODA

Volumes of ODA funds invested in DRR are very difficult to track and assess, and data on financing for DRR is poor. Quantifying the total amount spent on DRR is difficult. DRR activities are commonly hidden within wider programmes and projects, including those relating to food security, health systems, and environmental management. Because DRR projects have emerged relatively recently, the data on DRR funding is limited and donors are still unsure how to report it. Current donor

[3] See http://reliefweb.int/report/world/reform-international-humanitarian-system-hilary-benn-dfid-uk.
[4] See http://www.government.nl/news/2012/02/06/knapen-discusses-disaster-risks-with-margareta-wahlstrom.html.

reporting methods therefore fail to capture adequately the full nature and extent of financing for DRR, and it is only on the basis of this limited data that we are currently able to examine donor commitments to financing DRR.

DRR funding reported to OECD DAC

The OECD DAC's Creditor Reporting System (CRS) allows particular thematic areas of aid spending to be examined through sector codes and project descriptions. In the CRS, the sector relevant to each individual aid activity is recorded using a five-digit purpose code. The coding is intended to identify the specific areas of the recipient's economic or social development that the transfer is intended to foster.

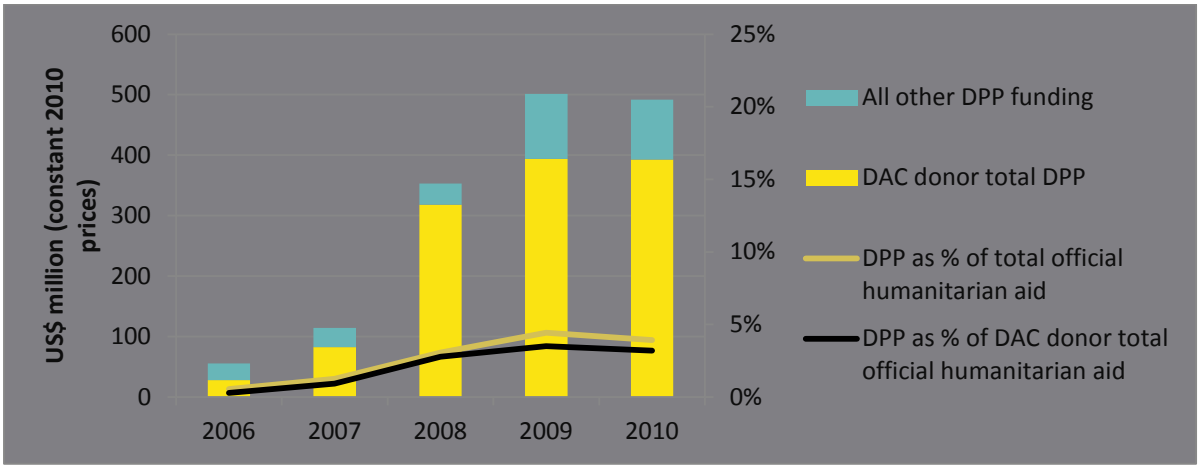
A purpose-code for 'Disaster prevention and preparedness' (74010) was introduced in 2004, within the ODA sub-category humanitarian aid. For DRR spending outside of humanitarian aid, the long and short project descriptions may be used to search for key-words associated with DRR activities. Naturally this method is prone to bias and omission as it depends entirely on the quality of the project description. For a more detailed description of the methodology used for quantifying DRR financing within the OECD DAC CRS, see Annex 1.

DAC donor spending on disaster prevention and preparedness within humanitarian aid[5]

Between 2006 and 2010, US$1.5 billion of official humanitarian aid was reported as disaster prevention and preparedness (DPP), of which 80% came from OECD DAC donor governments (US$1.2 billion). Funding for DPP from DAC donor governments has increased considerably since 2006, rising from US$28 million to US$393 million by 2010.

[5] For the purposes of this report, we consider disaster prevention and preparedness to be the humanitarian aspect of wider DRR.

Figure 2: Funding reported to DPP in bilateral humanitarian aid, 2006–10[6]

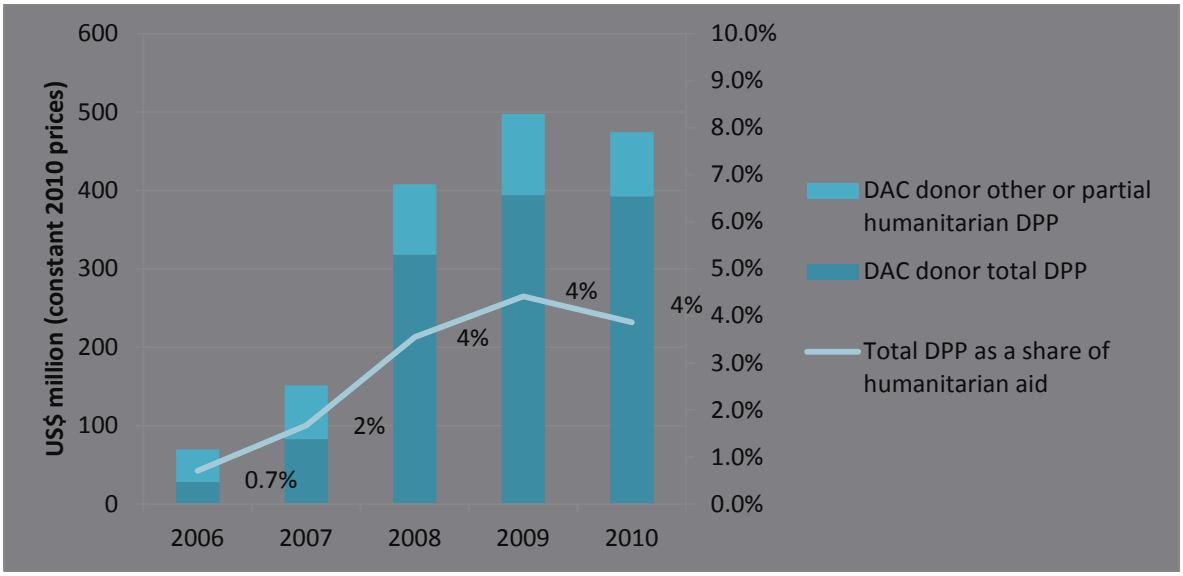


Source: OECD DAC

The increase in funding may be due in part to improved reporting of expenditure to DPP, with 21 of 24 donors reporting in 2010 compared with only ten in 2006. However, when considering other or partial DRR funding which falls within other humanitarian sectors (emergency food aid, emergency relief, reconstruction relief, and relief coordination), there is still a noticeable increase since 2006. Despite this increase, only 3.9% of DAC donors' bilateral humanitarian spending was allocated to DPP in 2010, and in fact dropped slightly from the previous year (4.4% in 2009).

[6] All other DPP funding includes contributions from the Global Environment Facility (GEF), the World Bank's International Development Association (IDA), United Nations Development Programme (UNDP), United Nations Children's fund (UNICEF), World Food Programme (WFP), World Health Organisation (WHO) among others.

Figure 3: Total DAC donor spending on DPP within bilateral humanitarian aid, 2006–10



Source: Development Initiatives based on OECD DAC

DAC donor government spending on DRR reaching 10% of humanitarian budgets

The overall share of humanitarian aid spent on DPP by DAC donors (2%), including our assessment of spending on partial DPP activities[7], is well below the 10% target recommended at the UNISDR Global Platform for DRR in 2009.

In order to provide a more comprehensive assessment of individual donor contributions, we have calculated the sum of donor bilateral contributions traceable in the OECD DAC Creditor Reporting System, and added to this, the imputed the shares of each donor's multilateral ODA contributions spent by the major multilateral institutions investing ODA in DPP.

Just two donors, Japan and Korea, have spent more than 10% of their humanitarian budgets on DPP between 2006 and 2010. Six donors have allocated between 6% and 8% of their budgets (Australia, Austria, Canada, France, Germany, and the UK); six donors have allocated just over 5% (Belgium, the EU institutions, Ireland, New Zealand, Portugal, and Spain); the remaining ten donors' expenditure is below 5% (Denmark, Finland, Greece, Italy, Luxembourg, Netherlands, Norway, Sweden, Switzerland, and the US).

[7] Our calculation of donor DPP funding from individual donors includes their bilateral expenditure and a calculation of their contributions via multilateral channels. To derive these multilateral contributions, we take the DPP expenditure of multilateral institutions (the EU, International Development Association, and World Food Programme [WFP]) and attribute to each donor that contributes un-earmarked ODA to that agency a share of this expenditure. This is based on the share of the multilateral agency's multilateral ODA receipts provided by that donor in the same year.

Figure 4: DAC donor expenditure on DPP in total official humanitarian aid, 2006–10 (figures in US$ million)

	Bilateral spending on DPP		Imputed contributions to DPP spending via multilateral organisations				
	DPP (US$m)	Partial DPP humanitarian spending (US$m)	DPP spending via the EU institutions (US$m)	DPP spending via World Bank (US$m)	DPP spending via WFP (US$m)	Total humanitarian DPP spending (US$m)	Total humanitarian DPP spending as % of total official humanitarian aid
Australia	85.0	20.9	0.0	14.8	0.9	121.6	7.5%
Austria	2.2	0.6	8.8	10.6	0.2	22.3	6.5%
Belgium	24.7	–	15.4	13.0	0.1	53.1	5.6%
Canada	39.7	88.3	0.0	31.1	2.2	161.2	7.4%
Denmark	15.1	0.5	7.8	8.1	3.7	35.0	2.6%
EU	258.1	128	–	1.9	2.7	390.8	4.6%
Finland	5.7	2.8	5.8	4.4	0.7	19.4	2.7%
France	0.8	–	73.6	45.6	0.3	120.3	6.0%
Germany	53.9	26.4	79.6	75.1	0.6	235.6	6.7%
Greece	0.4	–	7.3	2.3	0.0	10.0	4.2%
Ireland	23.4	11.4	4.2	4.0	1.1	44.0	5.6%
Italy	9.7	0.5	48.3	19.5	1.6	79.6	4.7%
Japan	187.3	–	0.0	117.2	1.0	305.5	18.3%
Korea	10.2	0.7	0.0	5.0	0.0	16.0	14.0%
Luxembourg	4.4	–	1.1	1.1	0.2	6.8	2.6%
Netherlands	4.3	0.0	17.0	10.0	4.7	36.0	1.4%
New Zealand	7.2	0.1	0.0	1.0	0.4	8.7	5.1%
Norway	52.3	14.6	0.0	11.9	2.9	81.7	3.7%
Portugal	0.0	0.4	4.8	1.5	0.0	6.8	5.5%
Spain	68.7	1.1	30.5	22.3	1.6	124.2	5.2%

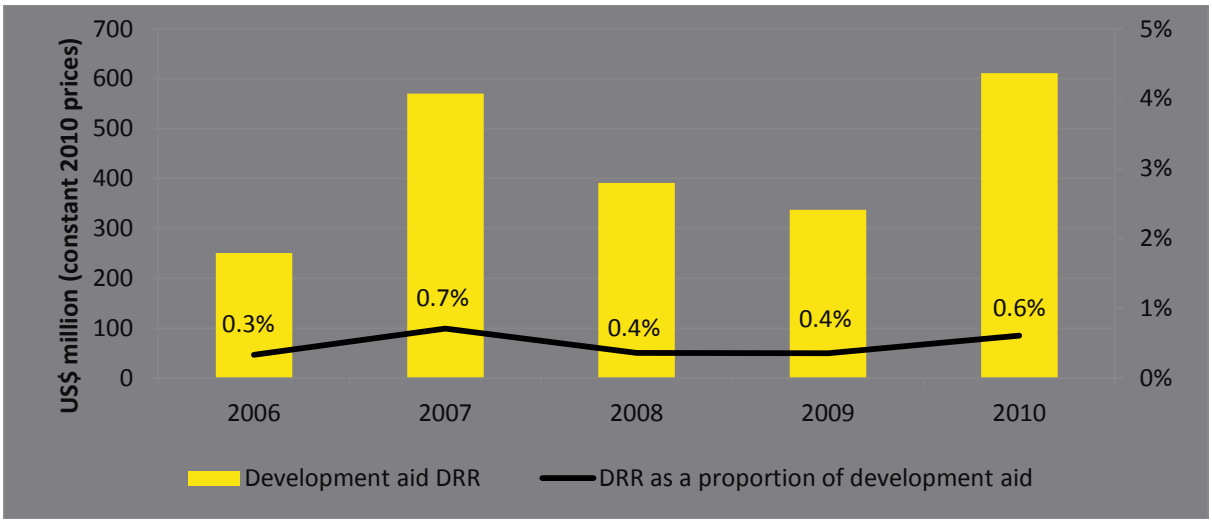
Sweden	53.8	0.1	10.1	22.4	6.4	92.7	3.2%
Switzerland	2.4	9.3	0.0	18.8	0.2	30.7	2.8%
UK	93.5	64.3	54.5	80.0	0.4	292.7	6.2%
US	212.8	15.9	0.0	89.0	0.0	317.7	1.6%

Source: Development Initiatives based on OECD DAC

DAC donor government DRR spending in development aid

DAC donor governments also fund DRR activities through development programmes. In total, DAC donors have spent US$2.2 billion[8] bilaterally on DRR within their development programmes between 2006-10. This accounts for 0.5% of donors development aid spending[9]. In only two years 2007 (0.7%) and 2010 (0.6%) has the proportion of DRR spending within development programmes exceeded 0.5%.

Figure 5: OECD DAC donor expenditure on DRR within development aid, 2006-10



Source: Development Initiatives based on OECD DAC.

[8] The data relies heavily on donors' project-level reporting practices in the CRS. This will be explored later in the report.

[9] Development aid is total ODA (excluding debt relief) minus humanitarian aid

The complexity of locating DRR funding within development programmes

There is no code or marker in the OECD DAC CRS that represents DRR. We use a forensic method to extract investments made in reducing risk from the project descriptions reported by donors. In some instances this research has been particularly generous, since many projects may actually include DRR as an element, perhaps as something cutting across other sectors; we have, without further information, added the entirety of this to our data.

The data relies heavily on donors' project-level reporting practices, which vary considerably.

Switzerland

The Swiss government has strong policies on DRR. Using our methodology for quantifying donor DRR investments, Switzerland ranks quite low down, particularly in humanitarian funding. This can be explained by the fact that out of 4,299 CRS entries in 2010, only 884 contained long project descriptions (21%), with limited programme detail.

Canada

Canada is unique in its reporting practices for projects that cross sectors, as it works out the percentage breakdown for each sector. For example, a project that addresses health (50%), education (25%), and prevention and preparedness (25%) will be reported separately under each sector with the appropriate share of total project funding. This gives a clear picture of the total amount of financing allocated to a specific activity within a single cross-sector project. Canada also provides detailed project descriptions in both French and English. In 2010, for example, 65% of Canada's 10,674 CRS entries contained detailed long project descriptions.

DAC donor spending reaching 1% of development spending

All 24 OECD DAC donors have contributed funding towards DRR within their development spending, although the quantities vary greatly. Japan is by far the largest donor, disbursing US$1.7 billion in the five-year period from 2006 to 2010, accounting for 3.5% of its total development ODA, and representing 38% of all DAC donors' development DRR spending. Other significant funders of DRR in development financing include the UK (US$398m), Germany (US$375m), the US (US$372m), and Canada (US$268m).

The proportion of development ODA designated to DRR activities also varies considerably amongst donors. Just three countries' DRR spending has reached or surpassed the 1% recommendation put forward at the UNISDR Global Platform in 2009 for development DRR expenditure (Australia, Canada, and Japan). Five countries have allocated just under the 1% recommendation (Austria, Finland, Germany, Switzerland, and the UK), seven have allocated 0.5% or just over (Belgium, Denmark, Ireland, Italy, Korea, Norway, and Sweden), and the remaining nine donors' expenditure has been below 0.5% (the EU, France, Greece, Luxembourg, Netherlands, New Zealand, Portugal, Spain, and the US).

Considering that just one donor, Japan (see page 16 for details of Japan's spending), accounts for a large proportion of DRR in development funding, and given our potentially generous calculation[10], the data suggests that the majority of governments are not meeting the recommended allocation.

Figure 6: Government expenditure on DRR within total development ODA, 2006–10 (figures in US$ million)[11]

Donor	DRR in bilateral development (US$m)	Imputed contributions to DRR spending via multilateral organisations			Total development DRR spending (US$m)	Total development DRR spending as % of total development ODA
		DRR spending via the EU institutions (US$m)	DRR spending via the World Bank (US$m)	DRR spending via United Nations Development Programme (UNDP) (US$m)		
Australia	116.7	0.0	51.0	0.3	168.0	1.2%
Austria	1.1	2.8	36.5	0.2	40.6	0.9%
Belgium	0.6	4.9	44.7	0.6	50.8	0.5%
Canada	159.7	0.0	107.0	1.5	268.3	1.3%
Denmark	24.8	2.5	27.7	2.2	57.2	0.5%
EU	122.6	-	6.4	0.0	129	0.2%

[10] Development DRR figures are extracted from project descriptions that include a DRR-related activity. DRR is not necessarily the entire focus of the project. We are unable to determine exactly how much has been allocated to DRR. Thus we consider all the figures extracted to be funding to development programmes that have an element of DRR.

[11] For our assessment of individual donor contributions to financing DRR in development ODA, we have imputed their shares of multilateral ODA from the sums that the EU, the United Nations Development Programme, and the World Bank report have been spent on DRR.

Finland	26.7	1.8	15.1	0.7	44.3	0.9%
France	24.3	23.4	156.8	1.0	205.5	0.4%
Germany	90.1	25.3	258.6	1.0	375.0	0.8%
Greece	0.0	2.3	7.8	0.0	10.1	0.4%
Ireland	8.0	1.3	13.6	0.5	23.4	0.6%
Italy	4.7	15.3	67.3	0.5	87.8	0.6%
Japan	1,259.4	0.0	403.3	2.4	1,665.2	3.5%
Korea	7.6	0.0	17.4	0.1	25.0	0.7%
Luxembourg	2.6	0.3	3.6	0.2	6.8	0.4%
Netherlands	46.3	5.4	34.3	3.5	89.5	0.3%
New Zealand	0.9	0.0	3.4	0.2	4.5	0.3%
Norway	49.2	0.0	40.9	3.8	93.9	0.5%
Portugal	0.1	1.5	5.3	0.1	7.0	0.3%
Spain	9.2	9.7	76.6	1.7	97.1	0.4%
Sweden	26.5	3.2	77.1	3.0	109.7	0.6%
Switzerland	14.4	0.0	64.8	1.4	80.7	0.9%
UK	102.1	17.3	275.4	2.7	397.5	0.9%
US	62.4	0.0	306.3	2.9	371.6	0.3%

Source: Development Initiatives based on OECD DAC

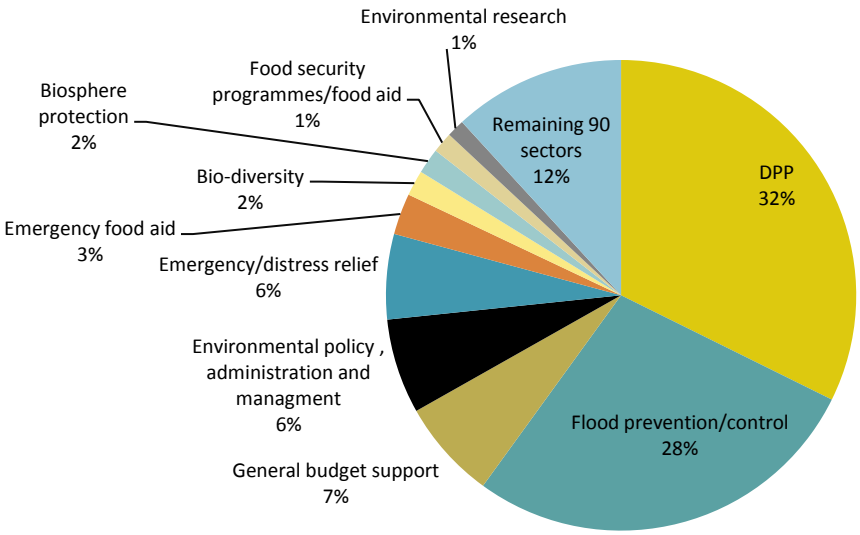
The sectors within which DRR falls in donor governments' development spending

As previously mentioned, DRR spreads across a wide variety of aid sectors. In total, DRR funding from DAC donors has been reported in over 100 different sub-sectors, both development and humanitarian, for the period 2006–10.[12] Despite the large number of sectors that include an element of DRR, just five account for nearly 80% of the entire funding. Unsurprisingly, the top-funded sectors are DPP, and flood prevention and control. Five of the top ten sectors – flood prevention and control (US$1bn), environmental policy (US$246m), bio-diversity (US$66m), biosphere protection (US$66m),

[12] For detailed descriptions of CRS purpose/sector codes, see http://www.oecd.org/dac/aidstatistics/purposecodessectorclassification.htm.

and environmental research (US$46m) – highlight how many donors link DRR with environmental protection and climate change adaptation.

Figure 7: Sector breakdown of donor government DRR spending, 2006–10



Source: Development Initiatives based on OECD DAC

Figure 8: Sector breakdown of donors' bilateral DRR spending, 2006–10 (figures in US$ million)

	DRR spending (US$m)	Top sectors of DRR funding
Japan	1,447	Flood prevention/control (61%), general budget support (18%), DPP (13%)
EU	509	DPP (51%), emergency/distress relief (16%), flood prevention (13%)
US	291	DPP (73%), biosphere protection (19%)
Canada	288	Food aid (19%), DPP (14%), public sector policy (8%), emergency relief (5%)
UK	260	DPP (36%), emergency/distress relief (19%), bio-diversity (18%)
Australia	223	DPP (38%), environment policy (22%), emergency relief (8%), flood prevention (7%)
Germany	170	DPP (32%), environmental research (21%), emergency/distress relief (11%), bio-diversity (11%)
Norway	116	DPP (45%), environmental policy (15%), emergency/distress relief (7%)
Sweden	80	DPP (67%), environmental policy (18%)
Spain	79	DPP (87%), environmental policy (7%)

Netherlands	51	Flood prevention/control (66%), water resources policy (13%), DPP (9%)
Ireland	43	DPP (55%), reconstruction relief (17%)
Denmark	40	Environmental policy (53%), DPP (37%)
Finland	35	Development awareness (16%), DPP (16%), environmental policy (12%)
Switzerland	26	Emergency/distress relief (29%), rural development (13%), biosphere protection (12%), housing policy (11%), DPP (11%)
Belgium	25	DPP (98%)
France	25	Flood prevention/control (54%), agricultural extension (13%), environmental policy (11%)
Korea	19	DPP (55%), flood prevention/control (23%)
Italy	15	DPP (65%), flood prevention/control (15%)
New Zealand	8	DPP (88%)
Luxembourg	7	DPP (63%), flood prevention/control (37%)
Austria	4	DPP (57%), emergency relief (14%), flood prevention (10%)
Portugal	0.5	Emergency/distress relief (81%), research/scientific institutions (15%)
Greece	0.4	DPP (96%), flood prevention (4%)

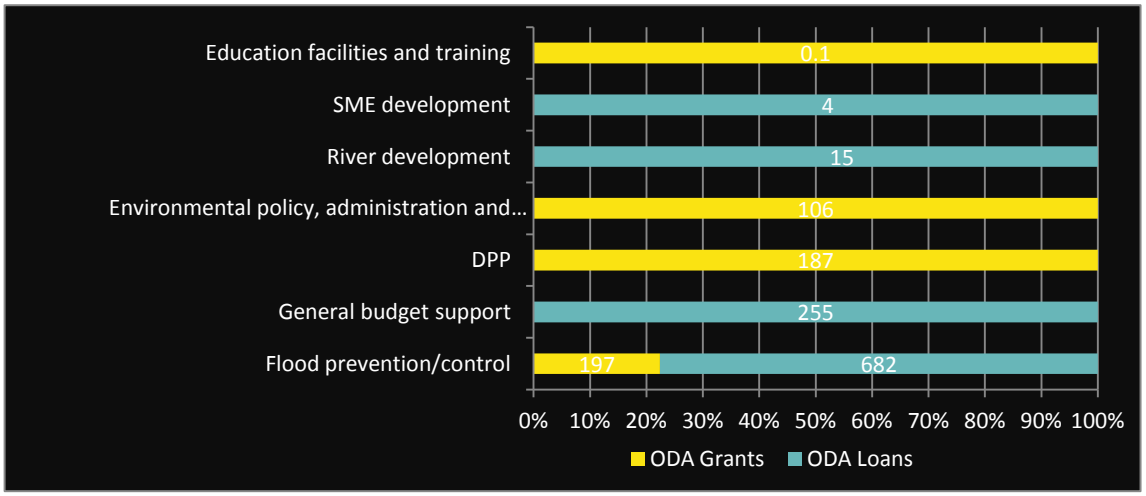
Source: Development Initiatives based on OECD DAC

Japan top DRR donor in focus

Japan ranks as having the third-highest number of disasters of all countries over the period 2000–11[13], and has suffered major catastrophes including the Kobe earthquake in 1995, the worst flooding in a century in 2000, and the devastating tsunami in 2011. Japan has the third-largest economy in the world, and in the past has spent up to 5% of its annual general budget on DRR. Drawing on this knowledge and experience, Japan has played a leading role in global and regional efforts on DRR. At the 2005 Asia-Africa Summit, for example, Japan pledged to provide more than US$2.5 billion in aid for disaster prevention sectors in Asia, Africa and other regions over a five-year period[14].

Japan was the largest government donor of DRR funding in the last five years, reporting US$1.4 billion – five times higher than the second-largest government donor, the US (US$291 million). 61% of Japan's DRR spending in ODA went towards flood prevention and control, a sector in which Japan dominates, spending US$880 million between 2006 and 2010 (90% of DAC donor government spending on flood prevention and control). Japan is also noticeably one of only three countries whose DRR expenditure includes loans as well as grants. 66% of the DRR funding identified from Japan was in the form of loans. This reflects Japan's general ODA expenditure, where it has the highest proportion of loans of all DAC members. Japan has traditionally had a preference for loans, grounded in the belief that the requirement to pay improves the recipient's fiscal responsibility and encourages effective resource allocation[15].

Figure 9: Japan's DRR spending by funding flow and sector, 2006–10



Source: Development Initiatives based on OECD DAC

13. EM-DAT, Centre for Research on the Epidemiology of Disasters. See http://www.cred.be.

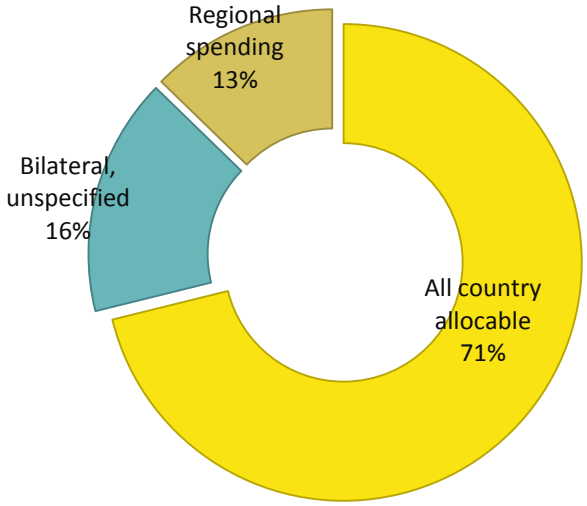
14. Ministry of Foreign Affairs, Japan (2005). See http://www.mofa.go.jp/policy/oda/mdg/pamph2015.pdf.

15. OECD DAC peer review (2010). See http://www.oecd.org/dac/peerreviewsofdacmembers/45470028.pdf.

Top recipients of DAC government DRR

Of the US$3.8 billion allocated to DRR from DAC donors' combined humanitarian and development bilateral spending, 71% was allocated to specific recipient countries. 16% of this has been reported as 'bilateral, unspecified'. A number of members of the OECD DAC report portions of their bilateral ODA as bilateral, unspecified. As a result, much of their aid is not allocated geographically by recipient or region. Bilateral unspecified allocations are made for expenditures on administrative costs, global programmes and un-earmarked contributions to implementing partners that cannot be allocated by recipient country. Denmark, Luxembourg, Norway, Sweden, and the UK have allocated close to half of their DRR funding to bilateral, unspecified.

Figure 10: Distribution of DAC donor bilateral DRR spending by recipient type, 2006–10



Source: Development Initiatives based on OECD DAC

Of the top 20 recipients of DRR for 2006–10, nine were also in the top 20 recipients of humanitarian aid, and 11 were also amongst the top recipients of total ODA.

In total 46% of DRR funding went to just four countries: Bangladesh, China, Indonesia, and the Philippines. With the exception of Bangladesh, DRR financing for these countries – noticeably in the same region – is heavily influenced by ODA loans from Japan for flood prevention and control programmes.

Figure 11: Top 20 recipients of DAC donor bilateral DRR expenditure, 2006–10

Top 20 DRR recipients	Total DRR in ODA from DAC donors (US$ million)	% of total DAC DRR country-allocable funding	Official humanitarian aid rank 2006–10	Official ODA rank 2006–10	Top donors
Indonesia	558.4	21%	11	19	Japan (80%), Australia (10%)
Philippines	272.9	10%	31	53	Japan (90%), Australia (3%)
China	265.7	10%	37	17	Japan (96%), Germany (1%)
Bangladesh	137.0	5%	21	13	Japan (23%), EU (19%), UK (16%)
Ethiopia	125.8	5%	4	3	EU (38%), Canada (27%), UK (23%)
Sri Lanka	95.8	4%	15	37	Japan (74%), Canada (15%), US (7%)
Haiti	82.7	3%	7	18	US (52%), EU (11%), Canada (10%)
Vietnam	82.0	3%	69	4	Japan (32%), Australia (29%), Netherlands (11%)
India	53.3	2%	33	9	UK (29%), EU (28%), Canada (22%)
Cambodia	51.7	2%	60	35	Japan (73%), EU (11%), Australia (9%)
Kenya	49.1	2%	10	14	EU (49%), Canada (17%), Japan (11%)
Mozambique	43.2	2%	35	10	Canada (32%), Germany (25%), US (15%)
Guyana	36.6	1%	135	91	EU (81%), Canada (17%)
Afghanistan	35.4	1%	5	1	Ireland (24%), Norway (19%), US (13%)
Myanmar	35.4	1%	17	66	Australia (29%), UK (22%), Norway (18%)
Pakistan	34.7	1%	3	6	Canada (35%), Japan (26%), Switzerland (10%)
El Salvador	33.5	1%	56	80	Japan (53%), EU (18%), Spain (15%)
Ghana	31.9	1%	74	15	Canada (66%), Japan (25%),
Zimbabwe	27.4	1%	12	43	Canada (75%), EU (9%), Norway (8%)
Peru	24.0	1%	43	69	EU (28%), Canada (24%), Spain (17%)
Remaining countries	**599.2**	**22%**			

Source: Development Initiatives based on OECD DAC

Summary: Are donors investing sufficiently in DRR?

Some positive advances have been made since the inception of the HFA, particularly regarding the emergence of DRR in many government donor policies, and increasing support to UNISDR and GFDRR. However, levels of funding in international aid still appear to be relatively low, notwithstanding the limitations in tracking investments.

The share of DAC donors' humanitarian aid dedicated to preparing for disasters has increased, rising from US$59 million in 2006 to over US$350 million by 2010. Despite this increase, in 2010 donor governments' combined DRR funding fell below 4% of their humanitarian aid expenditure, still well below the 10% recommended at the Global Platform in 2009. In the five years preceding the HFA, only two governments out of the 24 DAC donors have spent over 10% of their total official humanitarian aid on DRR-related activities; six have spent between 6% and 8%, and the remaining governments have contributed even less. Although these figures do not necessarily include all governments' funding to UNISDR and GFDRR (funding to these institutions is difficult to locate in the data), levels are still significantly low.

A forensic search of the data reveals further DRR funding within governments' development ODA spending. While all donors revealed at least some DRR within development expenditure, quantities and proportions of overall spending varied considerably amongst donors. A large share of this funding comes from one donor (Japan) to one sector (flood prevention and preparedness), with just a few recipients (China, Indonesia, the Philippines and Sri Lanka). Only three donors have contributed more than 1% of their development spending to DRR-related activities. Despite five additional countries coming close to the Global Platform's 1% recommendation, the vast majority fell well below it.

The quality of the available data highlights the complexity of quantifying DRR. This research has been potentially generous in its estimation, since many projects may actually include an element of DRR, perhaps as a component cutting across other sectors. There are many examples of DRR expenditure which are only part of a larger self-contained project or programme. However, our method for quantifying relies heavily on donor reporting, particularly in terms of coding and providing detailed project descriptions. Given the mutually exclusive methodology employed by the DAC, donors may potentially be committing more to DRR than is officially reported, as their interpretations of sector definitions and reporting practices may differ. In the DAC CRS, projects are allocated one sector code only to avoid double counting, and it is down to the reporting donor to decide on the appropriate code.

The current data sources available do not supply a readily-available and robust tool for analysing donor commitment to DRR. The coding structures are too weak and donor reporting to them is not consistent. Despite inconsistencies in reporting, it is widely acknowledged that there continues to be a pressing need to move DRR out of the realms of rhetoric and theory, and into more definite action supported by adequate funds. Improvements in reporting to capture more DRR spending and enable accurate tracking can provide an important tool for measuring impact and progress, drawing attention to funding requirements and maintaining commitment.

Annex 1: Methodology for tracking DRR in the OECD DAC CRS

The use of the term 'disaster risk reduction' in this report is taken from UNISDR terminology: 'systematic efforts to analyse and manage the causal factors of disasters'. Investments in DRR can be tracked using the OECD DAC's CRS, although this is not easy. Each funding transaction reported to the OECD DAC CRS is allocated a five-digit purpose code, which identifies the specific sectors or areas of the recipient's economic or social development that the transfer is intended to foster. However, there is no specific DRR code within the CRS database, so a forensic method has been used to pull out relevant investments.

A purpose code for one element of DRR has existed since 2004: this falls within humanitarian aid under DPP, and data reported under the DPP code (74010) can be easily identified. All funding reported to the flooding prevention/control purpose code (41050) is also included in the final estimate of DRR.

Accounting for DRR measures that are sub-components of development and humanitarian projects not coded 74010 or 41050 is more challenging. To identify these, we search through short and long project descriptions, referencing 30 key terms selected from recent literature on DRR and the websites of key DRR-focused organisations (e.g. UNISDR). After each term search, the project descriptions are scanned, and those not related to DRR removed (for example, results for 'prevention' include projects with a DRR focus such as flood prevention, but also HIV/AIDS prevention, which are excluded).

When assessing individual donor contributions to financing DPP, we have imputed their shares of multilateral ODA contributed to multilateral organisations (EU institutions, the WFP, and the World Bank), which were subsequently spent by those organisations on DPP activities.

All our figures relate to ODA expenditure as reported to the OECD DAC aggregate tables and CRS. The figures here exclude debt relief and our analysis is based on disbursement rather than commitment. The majority of the data was downloaded in May 2012.

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