Report

The regional consultation of the High-level Experts and Leaders Panel on Water and Disasters (HELP) Draft Principles on Investment and Financing for Water-related Disaster Risk Reduction

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Introduction

The Global Water Partnership (GWP) organized upon the request of the High-level Experts and Leaders Panel on Water and Disasters (HELP) and funding from the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) of Japan and the National Graduate Institute for Policy Studies (GRIPS), Japan, five regional consultations on the proposed HELP Principles on Investments and Financing for water-related disaster risk reduction. The consultations were led by the HELP Secretariat with support by five GWP regional secretariats and the GWP global secretariat, which provided a platform of stakeholders and facilitated the discussions. All consultations used as a basis the principles of 03 May 2018, included in the Annex of this report, for consistency.

The purpose of the consultation was to collect comments on the contents and possible implementation of the principles in different regional context. For budgetary reasons, consultations were organized where possible back-to-back with regional meetings GWP was already engaged in. While this meant that participants mainly came with a water management background, participants with a finance and disaster risk reduction background were specifically invited, which resulted in the participation of a few individuals with a financing background.

Overall summary of consultations

There was a consistent call to include more explicitly in the principles:

- Non-structural measures, including interventions in capacity building and a focus on governance, management measures, and institutional development
- Green infrastructure
- The importance of focusing on the most vulnerable sections of society
- Strengthening the evidence base for the economic argument to shift from response to preparedness and risk reduction
- The principles' call for the shift of the ratio for disaster risk reduction and for emergency response from the current 10%:90% to 90%:10% should be reconsidered
- Climate change and drought management
- Integrity and transparency in the management of funds

In all regions interest was expressed to work further on the issues raised in the principles. The following pages provide an overview, and links to further information, of the five HELP consultations GWP supported in:

- **Central and Eastern Europe** in Romania, 9 October 2018 attended by 36 participants from 10 countries
- **South Asia** in Sri Lanka, 12 October 2018 attended by 29 participants from 7 countries
- **Southern Africa** in Zambia, 31 October 2018 attended by 29 participants
- **South East Asia** in Vietnam, 22 March 2019 attended by 44 participants from 11 countries
- **South America** in Uruguay, 23 April 2019 attended by 18 participants from 6 countries

Central and Eastern Europe Regional Consultation

in Romania, 9 October 2018

There have been significant improvements in disaster risk reduction at the policy level in the CEE region: National strategies for adaptation to climate change were adopted or are being developed; consequently, the governments are adjusting directions in investments. In addition, climate change adaptation strategies allow more targeted instruments, projects, and initiatives to cope with disasters. Several countries noted how high-profile flood events triggered a change in approach from emergency response to risk reduction. A detailed consultation report is available here. The main points raised by participants in the consultation could be summarized as follows:

Governance and management

- Ownership of these principles has to be built among governments but also society needs to have a sense of ownership of the principles and be aware of the change that it is needed.
- Countermeasures implemented in advance against water related disasters are not a cost but an investment for the future. The recommendation is to emphasize principle 2.
- Although the principles are about investments and financing, the key rationale behind the principles are good governance.
- The need to shift from seeking support from the government towards the establishment of partnerships for DRR.

Financial

- Emphasis should not only be on investments in hard infrastructure. Operations & Maintenance and investments in soft measures, such as education, research and capacity building need to be emphasized.
- The principles build on the assumption of a 90:10% investments ratio of recovery and DRR/preparedness. In order to have strong arguments, these numbers should be validated at national levels. There is potential to develop a case study in the CEE region to support such initiative.

Overarching

- Draft principles are written in water terminology/language. However, the principles call for actions in other sectors as well (agriculture, urban, energy etc.); the suggestion is to try go beyond water sector and invite other key stakeholders to consult on principles as well.

- There should be more references to global documents/initiatives. With this, respective countries will more easily incorporate principles into their existing policies/strategies.
- The argument to move to disaster risk reduction - the "why" - needs to be clearly articulated.
- Reference to SDG process should be present in the preamble.
- The HELP principles are highly relevant for a follow up of GWP CEE work programme on the WMO/GWP Integrated Drought Management Programme (IDMP) and spin off projects in CEE and as well as in the Caucasus and Balkan regions.
- At the beginning, include facts and figures to emphasize the need to shift from disaster management to risk management.

Process / Form

- 20 principles are too many to receive support.
- Ambiguous interpretations of the wording of some principles, e.g. 14, 15, and section IV "various funding". In some principles it is better to avoid slogans and instead provide a simple definition.

South Asia Regional Consultation

in Sri Lanka, 12 October 2018

Participants pointed to the necessity to address the imbalance between post disaster rescue and relief and the lack of attention to disaster prevention and risk reduction. An overview of water-related disasters and existing measures in South Asia was presented and the importance of strengthening regional cooperation for DRR at all levels was emphasized. A detailed consultation report is available here. The main points raised by participants in the consultation could be summarized as follows:

Governance and management

- Consider balance at basin level, for example, upstream flood may be beneficial downstream
- Consider positive effects of flood, including soil fertility, ecosystem rejuvenation for agriculture, fisheries and providing livelihood opportunities importance of early warning systems.
- Emphasise importance of stakeholder involvement in early DRR planning stages
- Support for livelihood diversification and change, which will be an increased necessity due to climate change
- Include Operation & Maintenance and Rehabilitation of infrastructure in the principles
- Prevent human trafficking of young women and children during disaster
- Transparency needs to be strengthened in the use of relief funds and DRR investments
- There is a lack of institutional mechanisms and coordination which provides for DRR policy, disaster prevention, and preparedness projects to communities/local governments and which serves as a basis to effectively respond to disasters.

Financial mechanisms

- Importance of insurance to supplement Government support
- Include pricing and payment for ecosystem services in the principles
- Involve private sector through reasonable incentives (e.g., tax breaks)
- Establish financial mechanisms such as an international DRR fund

Overall

- It is not possible to provide relief for all of the frequent disasters, so prevention is important. Communities should emphasize risk reduction more than relief and financial aid
- It is easy to demand more budget but difficult to obtain it, the “how-to” needs to be addressed
- Refer to UNISDR terminology on DRR for consistent use of terms

Southern Africa Regional Consultation

in Zambia, 31 October 2018

The consultations stressed that prevention is important for socio-economic development, and disaster risk reduction is an important element of integrated water resources management and Integrated land use management. An emphasis needs to be given to develop risk reduction strategies relevant at local level and the sustainability of these interventions. A detailed consultation report is available here. The main points raised by participants in the consultation could be summarized as follows:

Governance and management

- Avoid top down, collaborate with local partners and communities
- Priority setting between DRR and other important needs
- Accountability needs to be included in the principles, for example, is it the actor who fails to put upstream monitoring stations, or the one opening sluice gates? is it the community that settled downstream or the local authorities that allow people to settle in that area?
- In order to receive commitment to focus on disaster risk reduction, awareness raising of decision-makers is a major challenge
- Focus should be placed on reducing vulnerability
- Education, training, and awareness raising at household level is important for preparedness
- Importance of early warning systems
- Communicate the policy relevance of scientific studies and ensure science and technology supports decision making for better investments
- Drought management interventions

Financial

- Financing should be done as part of the planning process. Disaster risk reduction should be part and parcel of plans otherwise systems remain vulnerable to disasters and it is time to be proactive rather than reactive.
- The norm is that funds are budgeted at government level, however if there are other emergencies, the first budget that is cut is that for disaster risks.
- Instead of 10:90%, need for balanced %
- There is a continuum in the financing of disaster risk management, including through prevention, response, and recovery. This needs to be included in infrastructure costing from the beginning using a life cycle costing approach with due attention given also by development finance.

Overarching

- Invitation to take discussion to a higher level
- Participants were asked to disseminate principles further

South East Asia Regional Consultation

in Vietnam, 22 March 2019

At the outset the importance of water-related disaster risk reduction amid the heightened uncertainties due to climate was highlighted. A detailed consultation report is available here. The main points raised by participants in the consultation could be summarized as follows:

Governance and management

- Ensure DRR measures benefit vulnerable groups and that vulnerable groups are clearly mentioned
- Underpin with high public awareness the importance of preparedness, resilience and DRR
- Understand local capacity to implement
- Integrated planning of water-related sectors
- Elaborate the importance of early warning systems
- "Build-back-better" approach needs to include retrofitting existing infrastructure
- Highlight that the private sector can be both the cause of and impacted by disaster
- Strong government leadership is important on water-related DRR
- Highlight drought, not only floods, as the other major water-related disaster
- The most successful long-term flood risk management strategies will balance the implementation of short-term, quick gain with a vision for the best mix of structural and non- structural measures to be implemented for the longer term;
- Understand the required resources, the best- and worst-case scenarios, and the tipping points at which action becomes imperative, all of which can lead to better decisions.

Financial mechanisms

- Safeguard investments from potential corruption
- Importance of insurance to cover different water-related disasters

Overall

- Strengthen evidence base since investment decisions will require scientific and evidence-based information to convince and most effectively to allocate it.
- There is already on-going investment for water-related DRR with a need to increase the budget allocation.
- Share data and strengthen ownership from decision-makers for better water-related DRR efforts
- Make it easy to share experiences

South America Regional Consultation

in Uruguay, 23 April 2019

A detailed consultation report is available here. The main points raised by participants in the consultation could be summarized as follows:

Governance and management

- Include more explicitly non-structural measures, and consider land use and planning, and green infrastructure rather than the current focus on grey infrastructure.
- Focus on citizen awareness in ways that is actionable for people, for example, where to build and where not to build a house.
- Elevate governance, management measures and institutional development in the principles
- Not only a matter of infrastructure but of education
- Need to know the risk in order to manage it. Need to include decision support systems.
- Raise awareness with media on how to prevent and be better prepared to disasters

Financial mechanisms

- Add a new element to principles: Integrity and transparency of institutions managing funds.
- Private sector's role is not passive and must not ask for public funding. Private sector investments need to be mobilized by the government.
- Interest in investing in ex-ante measures must be generated. Private sector involvement is key.
- Invest also in maintenance of infrastructure

Overall

- Shift of ratio of 90:10 – 10:90 currently in the principles is possibly too rigid
- Reduce number of principles. Add a strategy on the way forward, followed by an action plan with goals and associated budget
- There appears to be a lack of capacity and preparation to implement principles
- Include climate change more explicitly
- Refer to droughts more explicitly
- Principles are a guide for better practices. Organize a meeting or booklet at country level for dissemination of principle

Annex: Draft Principles on Investment and Financing for Water-related Disaster Risk Reduction

version 03 May 2018

Draft Principles on Investment and Financing for Water-related Disaster Risk Reduction
by High-level Experts and Leaders Panel on Water and Disasters (HELP)

Double the investments and financing for water-related disaster risk reduction with a focus on disaster risk reduction/preparedness, so that the proportion of financing in international assistance for disaster risk reduction/preparedness and that for emergency response/rehabilitation will shift from the current 10%:90% to 90%:10%.

- Globally, direct economic losses caused by disasters are significantly increasing, and the number of people affected by disasters is on the rise. The direct damages of disasters alone over the past 10 years amount to about 1.4 trillion US dollars. Water-related disasters account for almost 90% of the world's top 1,000 disasters.
- The importance of increasing investments and financing for disaster risk reduction is now widely recognized in international agreements, such as the Sendai Framework for Disaster Risk Reduction. However, about 90% of the international assistance is directed for emergency response and reconstruction/rehabilitation, while the amount disbursed for disaster prevention and preparedness is limited to only 10%.

I. Water-related disaster risk reduction is indispensable for socio-economic development

1. Water-related disasters caused by extreme water-related events can be prevented or mitigated by developing disaster prevention infrastructure ahead of the disaster events. These measures can include construction of levees and reservoirs, development of resilient infrastructure, utilization of innovative green infrastructure, or issuing timely early warnings.
2. Countermeasures implemented in advance to mitigate water-related disasters are not a cost, but an investment for the socioeconomic development of the future.
3. Water-related disaster risk reduction is a key component of Integrated Water Resources Management (IWRM), and should be promoted through participation of water users and to yield multi-faceted benefits, such as efficient water use and enhanced biodiversity. Unevenly distributed water, both temporally and spatially, can be effectively managed by an integrated systems approach.

II. Ex-ante measures of water-related disaster risk reduction should be prioritized

4. Relatively frequent water-related disasters should be forestalled mainly by implementing preventive structural measures at lower cost than the amount spent for recovery.
5. Countermeasures against large-scale and less frequent water-related disasters should also be implemented in order to avoid devastating damages to the society and economy, while putting the highest priority on protecting human lives.
6. A "Build Back Better" approach should be incorporated into the recovery and reconstruction process so as to improve the resilience of communities and prevent recurrent damages from similar disasters.
7. Various sectors support "mainstreaming disaster risk reduction," including urban development. Land use management can effectively prevent the increase of runoff discharge and consequently contribute to water-related disaster risk reduction.
8. Investment needs to be enhanced for adaptation measures to climate change, which is

projected to increase the frequency and scale of water-related disaster damage.

9. Investment for the maintenance and management of existing infrastructure should be secured to prevent malfunction of facilities and the devastating damages caused by deteriorated infrastructure.

III. Governments should improve their fiscal systems and allocate sufficient budget for water-related disaster risk reduction

10. Governments must prepare the legal, budgetary and administrative systems for water-related disaster risk reduction. The central government should prepare support and financial assistance systems for disaster-hit local governments in case a large-scale disaster exceeds local capacity.
11. It is crucial to define the roles and responsibilities of all stakeholders, including residents, local governments and the central government, and to empower the local governments and communities.
12. Budget for ex-ante disaster risk reduction should be secured at local level as well as at national level, considering the circumstances and frequency of natural disasters. That budget data should be recorded and made traceable.
13. An emergency reserve fund, if secured as a portion of the annual budget, can be swiftly disbursed after disasters in disaster-prone countries.

IV. Various funding sources for water-related risk reduction should be mobilized

14. Mobilization of private funds can support increasing demand for resilient infrastructure. Implementation of countermeasures for water-related disasters in conjunction with other sectors, such as water resources management and urban planning, helps diversify funding sources.
15. Incentives for awareness raising and self-prevention measures by the private sector should be explored, through subsidies and tax exemptions for instance.
16. Flood insurance is effective for the speedy recovery of daily life from disasters. However, it should be noted that the insurance does not physically reduce flood risks.

V. The international community should expand financing for water-related disaster risk reduction

17. International cooperation in disaster prevention should be strengthened under the international frameworks, because disaster damages in a single country have ripple effects to the world, for example through supply chain disruptions. Therefore, the international community should focus more on investments for disaster risk reduction over recovery and reconstruction.
18. Any surplus funds in the pledged assistance of emergency response should be effectively utilized for further disaster risk reduction to build more resilient societies.

VI. Financing for science and technology should be strengthened to support sound investment decisions

19. Data and knowledge on the losses and impacts of water-related disasters should be improved to evaluate the effectiveness of investment and facilitate better investment decisions.
20. Cooperation and alliances among science communities should be enhanced to develop and apply science and technology to disaster risk reduction.