

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

**PROGRAM TO SUPPORT THE IMPLEMENTATION OF THE  
BANK ACTION PLAN FOR IMPROVING DISASTER RISK  
MANAGEMENT: 2005-2008**

**(RS-T1120)**

**PLAN OF OPERATIONS**

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## INFORMATION AVAILABLE IN THE FILES

### PREPARATION:

Office of Evaluation and Oversight (OVE). 2004. *Evaluation of the Bank's policy and operational practice related to natural and unexpected disasters*. (RE-292-3) . IDB.

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Freeman, Paul et al. 2003. *Disaster Risk Management. National Systems for the Comprehensive Management of Disaster Risk. Financial Strategies for Natural Disaster Reconstruction*. Washington, DC: IDB.

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*Bank Action Plan for Improving Disaster Risk Management: 2005-2008*. (GN-2339-1).

## ABBREVIATIONS

Action Plan	Bank Action Plan for Improving Disaster Risk Management: 2005-2008. (GN-2339-1)
CESI	Committee for Environmental and Social Impact
DRM Indicators	Disaster Risk Management Indicators (ATN/JR-7907-RG) found at <a href="http://idea.unalmzl.edu.co">http: <u>http://idea.unalmzl.edu.co</u></a> .
IRF	Immediate Response Facility
JSF	Japan Special Fund
OVE	Office of Evaluation and Oversight
RE1, 2, 3	Regional Departments 1, 2, 3
RES	Research Department
SDS	Sustainable Development Department

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**I. EXECUTIVE SUMMARY**

<b>Beneficiary:</b>	Inter-American Development Bank	
<b>Executing Agency:</b>	Inter-American Development Bank	
<b>Amount and Source:</b>	IDB: JSF	US\$ 820,000
	Total:	US\$ 820,000
<b>Terms:</b>	Execution Period:	12 months
	Disbursement Period:	15 months
<b>Objectives:</b>	<p>The objective of the present program is to implement the first year of the <i>Bank Action Plan for Improving Disaster Risk Management: 2005-2008</i> (GN-2339-1), with the JSF resources financing two activities: the country-specific risk evaluations and the analysis of the appropriate role for the Bank in sharing and hedging countries' catastrophe risk.</p> <p>As a result of the operation, the Bank and the participating countries will gain experience in evaluating country level disaster risk and in incorporating this information within country dialogue. The JSF resources will support the Bank's strategic interventions and leverage the effectiveness of the Administration's commitment to disaster risk management in the region.</p>	
<b>Description:</b>	<p>The program will support the Bank Action Plan's first two components, "Country programming and portfolio management," and "Bank policy, procedures and financial instruments." Specifically, the JSF resources will finance four country-specific risk evaluations and the evaluation of the appropriate role for the Bank in sharing and hedging countries' catastrophe risk.</p> <p><b>The national level risk evaluations</b>, tailored to the needs of country programming, will provide the countries and the Bank robust information regarding: (i) probable losses and economic impact, as well as the capacity to finance recovery/reconstruction; (ii) geographical areas and sectors at high risk that warrant priority intervention ("high consequence" sectors and assets that, in the case of their failure, have negative multiplier effects on development – including, "critical infrastructure and lifelines"); and (iii) institutional capacity to manage risk. This information will form the basis for in-country workshop, in the context of the country dialogue and portfolio management activities.</p> <p><b>The consulting services to evaluate the Bank's potential role in sharing and hedging countries' catastrophe risk</b> will underpin an inter-departmental working group process that will explore the</p>	

**Environmental/  
Social review:**

appropriate role for the Bank in this area, and will include a review of existing and potential Bank financial instruments.

This operation does not envision any actions that could be harmful to the environment or have negative social impact. Rather, the national level evaluations will bring to light areas of high risk to such natural hazards as flooding, earthquakes, landslides, and hurricanes. It will also characterize vulnerability, including socioeconomic fragility and resilience.

The Committee for Environmental and Social Impact (CESI) reviewed the profile for this operation on April 29, 2005. No additional action was required.

**Benefits and  
beneficiaries:**

The Bank and the participating countries will gain experience in evaluating country level disaster risk, and in reviewing this information within the context of country dialogue and programming. At the completion of the first year, four country level risk evaluations will be completed and discussed with national policy authorities who, as a result, will have better information on risks.

The studies and resulting white paper for the Bank's role in financial management of catastrophe risk will help the Bank to apply its existing financial instruments to encourage disaster risk management in the countries, as well as evaluate the advisability of new financial products.

**Bank's strategy:**

*The Bank Action Plan for Improving Disaster Risk Management: 2005 – 2008*, endorsed by the Bank's Board of Directors on March 30, 2005, is a set of actions to be taken over the next four years in three priority areas that will position the Bank to manage disaster-related risk to the development effectiveness of our lending program: (i) country programming and portfolio management, (ii) Bank's policy, procedures and financial products, and (iii) an organizational approach that focuses on ex-ante risk reduction. Rather than a comprehensive plan of work in this area, the Action Plan includes the essential activities of a strategic and disciplined process to change the Bank's disaster-related intervention from one that is largely reactive, to one that proactive.

**Special  
contractual  
conditions:**

None

**Exceptions to  
Bank policies and  
procedures:**

None

## II. BACKGROUND

### A. Disaster Risk and the IDB

- 2.1 Over the last 30 years in Latin America and the Caribbean, each year disasters have affected 4 million people, caused 5,000 deaths, and US\$3.2 billion in physical losses – which is half or more the level of annual loan commitments by the Bank in recent years. With an average of 40 important disasters annually, Latin America is second only to Asia in terms of frequency of damaging events.
- 2.2 From 1995 to 2002, approximately 7 % of the Bank's approved projects (49 out of 665 loans) – for a total commitment of US\$3.8 billion – were addressing natural disaster-related objectives. That represents US\$475 million per year. In dollar amounts, this investment portfolio largely reflects the reactive approach of the countries, currently favoring post-disaster response (emergency rehabilitation and reconstruction) over *ex ante* risk prevention and mitigation. In terms of the number of disaster-related loans (as opposed to amounts), 41% of disaster related loans focused primarily on risk reduction, 6% on emergencies (IRFs), and 53% on rehabilitation and reconstruction.
- 2.3 In response to the major disasters that struck the region in the 1990s (Hurricanes Mitch and George; El Niño in Ecuador and Peru), the Bank embarked on a course to incorporate a risk management approach in its operations. In 1998, the Bank updated its Operational Policy on *Natural and Unexpected Disasters* (OP-704), stressing ex-ante action for Bank operations in addition to disaster response. In 2000 the Bank went on to articulate a risk management framework to guide Bank action in the strategic document, *Facing the Challenges of Natural Disasters in Latin America and the Caribbean*, and introduced disaster risk management focal points throughout the Bank to support this thematic area. In 2001, a new dedicated loan instrument, the Disaster Prevention Sector Facility, was introduced. (See Annex I of the Action Plan, *At a glance: The Bank's involvement in disaster risk management*).

### B. The Bank Action Plan for Improving Disaster Risk Management: 2005-2008

- 2.4 In 2004, OVE evaluated the Bank's policy and operational practice related to natural disasters (documents RE-292 and RE-292-1). The report found that disasters have had a significant bearing on the development prospects of most countries in Latin America and the Caribbean, and reduce the impact of the Bank's development assistance to the region. The report recommends the Bank introduce disaster risk management into country programming for highly vulnerable countries and strengthen our operational capacity. To respond to OVE's evaluation, the Board asked Management to prepare an action plan to carry out the commitment to a more proactive stance to disaster risk management in the region and to consolidate disaster risk management in operations.

- 2.5 *The Bank Action Plan for Improving Disaster Risk Management: 2005 – 2008* (GN-2339-1) was endorsed by the Board of Directors on March 30, 2005. The present technical cooperation operation, which would finance the first round of technical work to introduce disaster risk management into country programming, is one component of a financing strategy for the implementation of the Action Plan. The Administration is also proposing a special budget initiative to support the Action Plan for the 2006-2008 period. Additional trust fund resources will also be sought to complement these two resources for full funding of the Plan's implementation
- 2.6 The Action Plan is a set of actions to be taken over the next four years in three priority areas that will position the Bank to manage disaster-related risk to the development effectiveness of our lending program: (i) country programming and portfolio management, (ii) Bank's policy, procedures and financial products, and (iii) an organizational approach that focuses on *ex-ante* risk reduction. Rather than a comprehensive plan of work in this area, the Action Plan includes the essential activities of a strategic and disciplined process to change the Bank's disaster-related intervention from one that is largely reactive, to one that proactive.
- 2.7 Through the first pillar of the Action Plan, the Bank will work with high-risk Latin American and Caribbean countries to assess potential losses due to natural disasters and their national capacity to finance recovery and reconstruction. In its dialogue with these borrowing member nations, the Bank will explicitly address the issue of disaster risk management in country strategy and programming documents. In the area of portfolio management, project performance and monitoring reports will consider the impact of disasters as a measure of effectiveness and sustainability. The second pillar strengthens Bank policy and its implementation, aiming at improving the effectiveness of Bank procedures and financial products. Under the new policy and strategy in preparation, disaster risk management will become an integral part of the project cycle, especially in those programs involving infrastructure, housing, energy, agriculture and water and sanitation investment in areas vulnerable to natural hazards. Guidelines and training for incorporating disaster risk management in the project cycle will also be included here.
- 2.8 The third pillar of the Action Plan is the strengthening of the Bank's organizational approach for delivering disaster risk management, again with the emphasis on *ex-ante* risk reduction. The Bank has taken a decentralized approach, which builds on existing staff expertise, to equip itself to address the growing imperative for disaster risk management in the region. The Action Plan will consolidate this disaster risk management capacity in SDS and the regional departments, including implementing a communication strategy for the Bank's work.
- 2.9 In helping to mitigate risks that disasters pose to the effectiveness of the Bank's development assistance, the Action Plan will contribute directly to the



effectiveness of the *Institutional Strategy's* four priority areas, as well as to improve poverty reduction, social equity and environmental sustainability.

- 2.10 **Building a partnership for disaster risk management.** The Government of Japan and the Bank have a long history of cooperation to benefit Latin America and the Caribbean, including cooperation with joint financing and trust fund resources. With the growing toll of natural disasters in the region, the building of an innovative and multi-sectoral partnership to benefit countries' capacity to reduce and manage risk, closer collaboration is of strategic interest to both Japan and the Bank. Recently, both have renewed their commitments to incorporating risk reduction and management in their development assistance. Throughout this last decade, Japan has emerged as an important and decisive leader in promoting disaster reduction worldwide in its international assistance programs and through the International Decade for Natural Disaster Reduction. In January 2005 in Kobe, Japan hosted the Second World Conference on Disaster Reduction, a milestone event to promote integration of disaster risk reduction into development planning and practice, among other goals. The IDB supported regional preparations for the World Conference, such as the Inter American Conference on Disaster Risk Management (November 17-19 in Manizales, Colombia), and participated in the World Conference itself.
- 2.11 In parallel with the present operation, the Project Team will explore with the Japan Consultant Fund possible support for a Japanese specialist to work with the Bank in the framework of the Action Plan. The Japanese specialist would facilitate an effective partnership, helping make possible close collaboration and resource mobilization for supporting countries' move to proactive disaster risk management.

### III. PROGRAM DESCRIPTION

#### A. Objective

- 3.1 The objective of the present program is to implement the first year of the *Bank Action Plan for Improving Disaster Risk Management: 2005-2008* (GN-2339-1). Specifically, JSF resources will finance two activities: the country-specific risk evaluations and the evaluation of the appropriate role for the Bank in sharing and hedging countries' catastrophe risk.
- 3.2 As a result of the operation, the Bank and the participating countries will gain experience in evaluating country level disaster risk and in incorporating this information within country dialogue. The JSF resources will support the Bank's strategic interventions and leverage the effectiveness of the Administration's commitment to disaster risk management in the region.

## **B. Description**

- 3.3 **Activity 1: Country-specific risk evaluations for country strategies. (US\$720.000).** For four countries, including one from the Caribbean,<sup>1</sup> the Bank will evaluate their disaster risk in cooperation with the country authorities. These evaluations will inform the country strategies and programming, which will be adjusted to strengthen the management of the risk and to protect the effectiveness of the Bank's portfolio. These four country-specific risk evaluations will provide the countries and the Bank robust information regarding: (i) probable losses and economic impact, as well as the capacity to finance recovery/reconstruction; (ii) geographical areas and sectors at high risk that warrant priority intervention ("high consequence") sectors and assets that, in the case of their failure, have negative multiplier effects on development – including, "critical infrastructure and lifelines" such as, schools/hospitals, airports/ports, water treatment plants and distribution lines, gas/oil lines, etc.); and (iii) institutional capacity to manage risk. Indicative terms of reference are in the project files. These evaluations will take full advantage of existing work done in the field by local and international experts, regional agencies and other multilaterals. As part of the country risk studies, the suite of disaster risk management indicators will be applied for those countries that did not participate previously in the Program (ATN/JF-7907-RG).
- 3.4 Country reports will be produced that: (i) profile the country's disaster risk and the soundness of the risk management system and determine their adoption of risk management standards of good practice; (ii) identify developmental and technical assistance needs for strengthening risk management in the participating countries, as well as; (iii) highlight potential implications for the Bank's portfolio and recommendations for how the Bank can manage the risk disasters pose to the effectiveness of the country's development efforts as well as to the Bank's development assistance. These country reports will form the basis for in-country workshops, in the context of the country dialogue and portfolio management activities.
- 3.5 At the same time, the Bank will have a set of tested terms of reference and in-country experience that can be applied in subsequent years for the next sets of country disaster risk evaluations.
- 3.6 **Activity 2: Financial instruments: Bank's role in sharing and hedging countries' catastrophe risk.(US\$100.000).** This activity will finance studies underpinning an inter-departmental working group process that will explore the appropriate role for the Bank in financial risk management, including risk pooling and collective insurance instruments for the countries' catastrophe risk. Three options that will be evaluated include the Bank as captive insurer of its own risk,

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<sup>1</sup> The preliminary candidates are: Guatemala or Nicaragua (RE2); Jamaica and Peru (RE3); and Chile, Argentina or Bolivia (RE1). These countries have been selected because of their relatively high risk to natural hazards and the timing of this technical work to benefit the country strategy and programming dialogue. The results of the Disaster Risk Management Indicators Program (ATN/JF-7907-RG) and the NHVI vulnerability ranking of countries presented in the OVE report (RE-292) also helped guide the selection.

as facilitator in the provision of private risk management services, and the Bank as insurer of client risk. Studies will evaluate the potential of existing Bank financial instruments, including the new rules for eligible expenditures in investment loans, for managing catastrophe risk with operational recommendations. Any gaps in our instruments will also be identified. The studies will evaluate how potential financial products that may be offered by the Bank can provide hedge cover, reduce moral hazard and orient countries to adopt risk management commensurate with the scale of the problem they face. Outputs will include studies, a seminar and a white paper with recommendations for Bank approach and potential financial instruments. Indicative terms of reference are in the project files.

- 3.7 Together with the improving understanding of disaster risk in the region, these studies and white paper will help prepare the Bank to apply its current financial instruments to encourage disaster risk management in the countries, as well as evaluate the advisability of new products.

#### IV. COST AND FINANCING

Cost Table for Program (US\$000)	
Type of Expense	JSF
<b>1. Country-specific risk evaluations for country strategies</b>	
Consulting services. 3 high risk countries @ US\$240,000 each, including workshops	720
<b>2. Financial instruments: Bank's role in sharing &amp; hedging countries' catastrophe risk</b>	
Consulting services. Studies, seminar and white paper	100
<b>TOTAL for 1-year period</b>	<b>820</b>
<i>The Bank's commitment is approximately one quarter time of focal points in each of the regional departments and SDS.</i>	

- 4.1 The total cost is estimated to be US\$820,000 to be financed with resources from the Japan Special Fund. The JSF may consider additional funding in 2006 and 2007 to carry out the country specific risk evaluations specified for those years in the Bank's Action Plan. The Bank's commitment is approximately one-quarter time of focal points in each of the regional departments and SDS, who will support the implementation of these activities, including the review of the risk evaluations with the countries and adjusting the country strategies and programming to strengthen the management of risk and to protect the effectiveness of the Bank's assistance. The itemized estimated cost table is presented above.

#### V. EXECUTION

- 5.1 **Executing agency.** As this program supports the implementation of the *Bank's Action Plan for Improving Disaster Risk Management: 2005-2008*, the executing agency will be the Bank itself. The regional departments, SDS and BCP/PRC

have ample technical and administrative experience for the contracting and supervision of these kinds of consulting services.<sup>2</sup>

- 5.2 For the country evaluations, the project team members from all three regional departments and SDS will have the technical and oversight responsibility for the consulting services. BCP/PRC will have the administrative responsibility for the contracting of the consulting firm(s). For the financial instruments studies, SDS, with the technical support of an inter-departmental working group, consisting of representatives of FIN, RE1, RE2, RE3, RES, DEV and SDS, will be responsible for both the administrative and technical oversight. These executing arrangements aim to streamline the administrative responsibilities, while strengthening the technical integration of this work and the lesson learning across the Bank's responsible departments and the participating countries.
- 5.3 **Activity 1: Country-specific risk evaluations for country strategies.** Each regional department has pre-selected the countries for the national evaluation (see paragraph 2.3). Before contracting the country risk studies, the team member from each regional department will receive from the country a no objection for the studies, and an indication of the designated national counterpart in the economic authorities and the national risk management institution(s).
- 5.4 The four country level evaluations will be contracted together under one set of terms of reference, likely with a single firm or consortium of consultants doing all four. The application of the risk management indicators for those countries who need them, which requires consultants experienced in the indicators methodology will be contracted separately. The project team together will develop the definitive terms of reference for the evaluations and will participate in the review, selection and supervision of the contracts. BCP/PRC will be responsible for the administration of the contracts; each regional department team member is the lead for the supervision of the study in his/her respective country. The individual country reports will be registered as non-financial products by each department.
- 5.5 **Activity 2: Financial instruments: Bank's role in sharing and hedging countries' catastrophe risk.** The inter-departmental working group will assist SDS in developing the definitive terms of reference for the studies that will explore the appropriate role for the Bank in risk pooling and collective insurance instruments for the countries' catastrophe risk. This same group will participate in the review, selection and supervision of the studies and production of the white paper. SDS will have the administrative responsibilities for the contracting of the individual consultants.
- 5.6 **Implementation readiness.** The program is ready for implementation, with the team members from the regional departments and SDS in place for technical

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<sup>2</sup> Since 2000, each of the regional departments and SDS have a person designated as the focal point for disaster risk management. The OVE evaluation of the Bank's policy and operational practice related to natural and unexpected disasters (document RE-292) found, "the Disaster Management Focal Points are an important institutional innovation" and the "members of this group constitute a professional network of some consequence and importance in the Bank."

supervision, the indicative terms of reference for the consulting services in the files, and BCP/PRC ready to coordinate the contracting of consulting firms.

- 5.7 **Execution period.** The implementation period for these activities will be 12 months. Disbursements will be made in accordance with payments for the contracts for consulting services.
- 5.8 **Procurement.** The Bank's Corporate Procurement Policy GN-2303-11 will govern the selection and contracting of consulting firms under this operation. The contracting of individual consults will be governed by Bank policies and guidelines.

## VI. MONITORING AND EVALUATION

- 6.1 **Monitoring.** The progress on these activities will be reported within the implementation framework of the *Bank Action Plan for Improving Disaster Risk Management: 2005 – 2008*. A subset of the Logical Framework pertaining to these activities in the present memorandum is found in Annex II. Both the technical and the financial execution will be reported in the Bank's systems (TFAS, OPUS, LMS) and made available to the Japan Special Fund.
- 6.2 **Technical and basic responsibility.** See paragraphs 5.2 – 5.5 for the responsible units for technical supervision and payments for both activities.
- 6.3 **Progress and final reports.** As specified in the *Bank Action Plan for Improving Disaster Risk Management: 2005 – 2008*, each of the regional departments and SDS will be responsible for reporting on their respective commitments under the Action Plan. This includes the activities financed by the present operation. The project team of the present operation is responsible for the final report regarding the experience of the country level evaluations and recommendations for the Bank's approach in financial management of catastrophe risk and potential financial instruments. The results of the country evaluations will also be shared with DEV, who is developing an integrated risk management framework for the Bank as a whole.
- 6.4 **Auditing and Evaluation.** The evaluation will review the experience of these two activities, focusing on lessons learned for the methodology and implementation of the country risk evaluations and their use for country strategies and programming. The recommendations will help guide the Bank as it undertakes country risk evaluations in the subsequent years of the Action Plan. Standard Bank procedures for auditing, financial management of resources and reporting will be followed.

## VII. BENEFITS AND RISKS

- 7.1 The participating countries and the Bank will gain experience in evaluating country level disaster risk, and in reviewing this information within the context of country dialogue and programming. At the completion of the first year, four country level risk evaluations will be completed and discussed with national

policy authorities who, as a result, will have better information on risks. This will enable the strategy and programming documents to include discussion on how the Bank proposes to manage the risk disasters pose to the effectiveness of the country's development efforts as well as to the Bank's development assistance. At the same time, the Bank will have a set of tested terms of reference and in-country experience that can be applied in subsequent years of the Action Plan for the next sets of country disaster risk evaluations.

- 7.2 The studies supporting the inter-departmental working group process will analyze what role the Bank could play in expanding countries' access to risk pooling and collective insurance instruments. Together with the improving understanding of disaster risk in the region, these studies and resulting white paper will help prepare the Bank to apply its existing financial instruments to encourage disaster risk management in the countries, as well as evaluate the advisability of new products.
- 7.3 The principal risk to the operation is related to country participation. Governments, which have limited experience in managing disaster risk within their economic authorities and development planning, may be reluctant to examine their disaster risk and management capacity. Previous work of the Bank, such as the preparation of disaster risk indicators for 12 countries (ATN/JF-7097-RG) and risk reduction measures in the region discussed in the Regional Disaster Policy Dialogue, may help motivate the countries to participate actively in the execution of the project. Engaging the countries within the strategy and programming dialogue is geared to motivate the national economic authorities and to establish a close working relationship for the execution of the evaluations.

## **VIII. ENVIRONMENTAL AND SOCIAL ASPECTS**

- 8.1 The present operation will have no negative environmental or social impacts due to the nature of the operation. As the program resources will finance technical studies related to disaster risk, it will provide information useful for both the Bank and the participating countries in orienting the country strategy and programming dialogue to reinforce the risk management capacity within the region. The Disaster Risk Management Indicators (ATN/JF-7907-RG) will be applied as part of the national level risk evaluations. The Prevalent Vulnerability Index, in particular, characterizes prevailing vulnerability conditions reflected in exposure in prone areas, using composite indicators that capture socioeconomic fragility and social resilience.<sup>3</sup>

## **IX. RECOMENDATION AND CERTIFICATION**

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<sup>3</sup> Cardona, Omar Dario et al. 2005. *Indicators of Disaster Risk and Risk Management: Summary Report. Program for Latin America and the Caribbean. IDB-UNC/IDEA*. <http://idea.unalmz1.edu.co>. page 20 – 23.

- 9.1 The Chief of the Japan Special Fund certifies that sufficient resources exist in the Japanese Special Fund, up to the equivalent of US\$820,000 available to finance the activities described and budgeted in this Plan of Operations for RS-T1120.

[ORIGINAL SIGNED]

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Goro Mutsuura, RE2/FSS

July 8, 2005

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Date

**ANNEX 1:      BANK ACTION PLAN FOR IMPROVING DISASTER RISK MANAGEMENT:  
2005-2008**

[HTTP://OPSWS3.REG.IADB.ORG/IDBDOCSWEBSERVICES/GETDOCUMENT.ASPX?DOCNUM=558626](http://opsws3.reg.iadb.org/IDBDOCSWEBSERVICES/GETDOCUMENT.ASPX?DOCNUM=558626)



## ANNEX II: LOGICAL FRAMEWORK

INDICATORS FOR THE IMPLEMENTATION OF THE BANK ACTION PLAN FOR IMPROVING DISASTER RISK MANAGEMENT			
Outcomes	Performance Indicators	Outputs	Assumptions for achieving outcomes
<b>1. Country programming and portfolio management</b>			
<i><b>In four high risk countries:</b></i> Countries and Bank understand the disaster risk the countries face and their capacity to manage it.	By the end of the first year of the Action Plan, four high risk countries evaluated and discussed with country authorities.	3 country-specific risk evaluations prepared and discussed with government authorities.	Countries are willing to examine their disaster risk and management capacity.
<b>2. Policy, procedures and financial instruments</b>			
The Bank better understands its potential role in expanding access to risk pooling and collective insurance instruments.	By end of the year, an inter-departmental working group has analyzed the potential role the Bank could play in expanding access to risk pooling and collective insurance instruments, including the Bank's existing and potential financial instruments.	Study(ies) that evaluate options for expanding access to risk pooling and collective insurance instruments, including the Bank as captive insurer of its own risk, as facilitator in the provision of private risk management services, and the Bank as insurer of client risk.  A white paper with recommendations for Bank approach and potential financial instruments.	Bank willing to examine its existing and potential instruments.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE \_\_/\_\_/\_\_

Regional. Nonreimbursable Technical Cooperation ATN/\_\_\_\_-\_\_\_\_-RS for the Program to Support  
the Implementation of the Bank Action Plan for Improving Disaster  
Risk Management: 2005-2008

The Board of Executive Directors

RESOLVES:

1. Authorize the use of up to the amount of US\$820,000, chargeable to the resources of the Japan Special Fund, to execute the program to support the implementation of the Bank action plan for improving disaster risk management: 2005-2008 in accordance with the plan of operations referred to in Document AT-\_\_\_\_\_.
3. That the above-mentioned sum is to be used by the Bank on a nonreimbursable basis.

(Adopted on \_\_ \_\_\_\_ 200\_\_)