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**Accompanying document to the**

**EU STRATEGY FOR SUPPORTING DISASTER RISK REDUCTION IN  
DEVELOPING COUNTRIES**

**IMPACT ASSESSMENT**

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## 1. INTRODUCTION

Evidence has long suggested that disaster risk reduction (DRR) has a high ratio of benefits to costs. The UN's International Strategy for Disaster Reduction (ISDR) defines DRR as: "Actions taken to reduce the risk of disasters and the adverse impacts of natural hazards, through systematic efforts to analyse and manage the causes of disasters, including through avoidance of hazards, reduced social and economic vulnerability to hazards, and improved preparedness for adverse events".

The EU is the world's largest donor of Official Development Assistance (ODA) and Humanitarian Aid. It has a global presence and wide experience with individual DRR projects and programmes, but is lacking a strategic framework to guide its DRR support in developing countries in a coherent and coordinated manner.

This proportionate impact assessment has informed the Commission's adoption of a communication on an EU Strategy for supporting DRR in developing countries through both development cooperation and humanitarian aid, to help support the 2005 Hyogo Framework for Action<sup>1</sup> and the achievement of the Millennium Development Goals (MDGs).

The strategy is half of a package covering aspects of DRR within<sup>2</sup> and beyond the EU, addressing also appropriate links between the two dimensions. It complements and supports existing EU climate change initiatives such as the Global Climate Change Alliance<sup>3</sup> and the EU Action Plan on Climate Change and Development,<sup>4</sup> and it will contribute to the development of climate change adaptation policies and measures to be decided under the UN Framework Convention on Climate Change (UNFCCC) post-2012 arrangement.

The Commission is proposing the strategy under Article 180 of the Treaty establishing the European Community.<sup>5</sup>

## 2. PROCEDURAL ISSUES AND CONSULTATION OF INTERESTED PARTIES

The Commission stated its intention to propose an EU strategy for supporting DRR in developing countries in the Green Paper *Adapting to climate change in Europe — options for EU action*<sup>6</sup> and in the communications *Building a Global Climate Change Alliance*, and *Reinforcing the Union's disaster response capacity*.<sup>7</sup>

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<sup>1</sup> Adopted in 2005 at the World Conference on Disaster Reduction.

<sup>2</sup> Commission communication Towards a Community strategy for the prevention of natural and man-made disasters (COM(2008)xx).

<sup>3</sup> COM (2007) 540 of 18.9.2007.

<sup>4</sup> Council document 15164/04.

<sup>5</sup> Article 180(1): 'The Community and the Member States shall coordinate their policies on development cooperation and shall consult each other on their aid programmes, including in international organisations and during international conferences. They may undertake joint action. Member States shall contribute if necessary to the implementation of Community aid programmes.' (2) 'The Commission may take any useful initiative to promote the coordination referred to in paragraph 1.'

<sup>6</sup> COM (2007) 354 of 29.6.2007.

<sup>7</sup> COM (2008) 130 of 5.3.2008.

Work started in January 2008 when a Commission core working group consisting of representatives of the Directorates-General for Development, External Relations and Humanitarian Aid was set up. Wider internal consultations took place via an inter-service group consisting of representatives of the Directorates-General for Development, External Relations, Humanitarian Aid, Environment, EuropeAid, Research, the Joint Research Centre, the Secretariat-General, Health and Consumers, and Information Society and Media. This group worked mainly via email and met twice during the period February-July 2008.

External consultations began with bilateral meetings with key stakeholders, including key civil society organisations, UN agencies, partner countries, international financing institutions, EU Member States and the private sector during the period February to December 2008. Moreover, a public Internet consultation took place between April and June 2008, on the basis of an issues paper developed with input from the groups mentioned above. Thirty-five substantive contributions were received from individuals and groups including EU Member States, the UN system, academia, relief and humanitarian organisations, civil society, international finance institutions and the private sector. See <http://ec.europa.eu/development/about/consultation/index.cfm>. The Commission built extensively upon the contributions received in drafting the communication and this impact assessment.

### **3. PROBLEM DEFINITION AND POLICY CONTEXT**

#### **3.1. Disasters are on the increase – developing countries are affected most**

Over the last 30 years, disasters have increased both in frequency and intensity. The total number reported rose from 73 in 1975 to about 440 in 2007. The number of climatic disasters has almost tripled, from 1280 between 1978 and 1987 to 3435 between 1998 and 2007.<sup>8</sup>

Disasters hit developing countries hardest, as they are the most vulnerable and have the least capacity to cope. For example, the 6.6 earthquake which hit Iran in 2003 killed over 40 000 people. By contrast, the 6.5 earthquake which hit central California four days earlier took two lives and injured 40 people.<sup>9</sup> Disasters also divert substantial national resources from development to relief, recovery and reconstruction, depriving the poor of the resources needed to escape poverty. In Aceh, Indonesia, the 2004 tsunami is estimated to have increased the proportion of people living below the poverty line from 30% to 50%.<sup>10</sup>

In addition, dependency on healthy animals and plants (crops) is high in developing countries, so that disasters caused by biological hazards can have negative impacts on food security and subsequently cause new disasters. For biological hazards it should also be kept in mind that incursions of diseases or pests if not adequately dealt with can easily become endemic, thereby impacting substantially the "economic" status of the country or region and hence the mid- and longer-term economic perspectives.

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<sup>8</sup> Collaborating Centre for Research on the Epidemiology of Disasters.

<sup>9</sup> DFID (2006): Reducing the Risk of Disasters.

<sup>10</sup> Idem.

### **Box 1: The cost of inaction**

*The Indian Ocean tsunami in 2004 killed more than 225 000 people in 11 countries, inundating coastal communities with waves up to 30 meters high. It was one of the deadliest natural disasters in history. Indonesia, Sri Lanka, India, and Thailand were hardest hit. There was no warning system to detect tsunamis in the Indian Ocean and local populations lacked the knowledge to detect the threat and take action to protect themselves.<sup>11</sup>*

*In 1999, Mozambique requested international assistance of USD 2.7 million to prepare for and mitigate impending flood risk, but only half of this sum was eventually mobilised. In March 2000, in the wake of terrible flooding, the international community and NGOs gave USD 100 million in emergency assistance and relief, to be followed by an additional USD 450 million for rehabilitation.<sup>12</sup>*

On the role of climate change, the Intergovernmental Panel on Climate Change (IPCC) has found that some extreme weather events have changed in frequency and/or intensity.<sup>13</sup> These changes may already be contributing to the increasing number and intensity of recent disasters, making the need for effective DRR even greater and more immediate.

### **3.2. Investing in DRR pays off**

Disasters can be avoided. There are ways to reduce risks and to limit impacts, for example by addressing the root causes of people's vulnerability and increasing their capacity to cope. DRR comprises preparedness, mitigation and prevention. DRR aims to enhance the levels of resilience of disaster prone countries and societies, with a focus on long-term building of capacity and institutions rather than just on post-event crisis management. It is underpinned by knowledge about how to manage risk, build capacity, and make use of information and communication technology and earth observation tools.

### **Box 2: DRR success stories**

*In November 2008, the Nevado del Huila volcano in southern Colombia erupted causing three avalanches and killing about 10 people. Thanks to the early warning system developed by the Colombian Red Cross in close collaboration with authorities, with technical assistance of French Red Cross within the framework of DIPECHO, 3,800 people were evacuated. A similar eruption in 1994 had resulted in 1200 dead and some 500 missing persons.*

*The category four Hurricane Michelle in 2001 was the strongest hurricane to hit Cuba in 50 years. Thanks to Cuba's effective early warning system and its hurricane preparedness plan, 700 000 people were evacuated, of whom 270 000 were provided with temporary accommodation and basic needs for a longer time. Some 777 000 animals were moved to safe areas. The hurricane was a major economic setback, but only five deaths and 12 injuries were reported.<sup>14</sup>*

*In 1998 a tsunami struck the north-west coast of Papua New Guinea claiming 2 200 lives. Thanks to DRR efforts by the Asian Disaster Reduction Center following this disaster, a tsunami in 2000 destroyed thousands of houses but caused no deaths.<sup>15</sup>*

*Only two schools were left standing in Grenada after the passage of Hurricane Ivan (September*

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<sup>11</sup> <http://www.tsunami2004.net/>

<sup>12</sup> ISDR (2004): Living with risk: a global review of disaster reduction initiatives.

<sup>13</sup> IPCC (2007): 4th Assessment Report.

<sup>14</sup> ISDR (2004): Living with Risk: A global review of disaster reduction initiatives.

<sup>15</sup> ADRC (2001).

2004). Both had been subject to retrofit and one of them was used to house displaced persons after the event.<sup>16</sup>

*There are also examples of good EU action in this field. A few years ago fears for a bird flu pandemic pushed the Commission to undertake additional preventative action, which has proven successful in controlling the disease within the Community. Furthermore, numerous initiatives at global level are being undertaken to stop the disease from spreading and being transmitted to humans, often with Commission financial support. The fact that efforts are joined globally and that many third countries have prepared national integrated human and animal health action plans to control possible disease occurrence shows that disaster preparedness pays off.*

Effective DRR can reduce the loss of life and property. Studies suggest benefits in terms of prevented or reduced disaster impacts of two to four dollars for each dollar invested in DRR.<sup>17</sup>

### **3.3. International efforts on DRR**

In recent years, the focus has moved from mainly responding to disasters to implementing comprehensive DRR approaches. In 2005, 168 governments adopted the *Hyogo Framework for Action 2005-2015: Building the resilience of nations and communities to disaster* and the Commission<sup>18</sup> fully supports its implementation. The challenge now is to translate it into effective action at global, regional, national and local level. Many developing countries are putting considerable effort into implementation, but are constrained by lack of funding and capacity.<sup>19</sup> The 2nd Global Platform for DRR, to take place in June 2009, aims to sustain the Hyogo momentum and will take stock of progress. Growing international awareness is evident from initiatives such as the World Bank's Global Facility for Disaster Reduction and Recovery (GFDRR).

Negotiations under the UNFCCC, in particular the Bali Action Plan adopted in 2007, have also identified DRR as a means of adapting to climate change in order to reduce its impact, and as an adjunct to long-term efforts to mitigate climate change.<sup>20</sup>

### **3.4. Grounds for EU action on DRR**

Both the 2005 European Consensus on Development and the 2007 European Consensus on Humanitarian Aid commit the EU to supporting DRR policy and action. The 2008 Council conclusions on reinforcing the Union's disaster response capacity invited the Commission to present a proposal for an EU strategy for DRR in developing countries. The European Parliament has also repeatedly argued for a more robust DRR policy and increased financial means.

The majority of EU Member States and the Commission support DRR efforts in all developing country regions on a regular basis and there exist good examples of EU coordination, for example in Bangladesh where the Comprehensive Disaster Management Programme 2010-2014 will be jointly supported by the EC and DFID. However, in spite of this, current EU action is non-strategic as it mainly follows an ad hoc project/programme approach and is often uncoordinated and inadequate. For example, in 10 years of intervention

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<sup>16</sup> World Bank. Grenada, Hurricane Ivan: Preliminary Assessment of Damages, September 17, 2004.

<sup>17</sup> DFID (2006): Reducing the Risk of Disasters.

<sup>18</sup> Only governments could adopt the Hyogo Framework, which is why the Commission has not formally adopted it.

<sup>19</sup> ISDR: Global Review 2007.

in disaster preparedness, especially through its DIPECHO programmes in six disaster-prone areas in the world, the Commission is aware of very few formal cooperation examples with Member States. It seems that the effectiveness of EU action is hampered by a number of factors:

- *Lack of policy and strategic frameworks on DRR.* While the Hyogo Framework provides harmonised DRR guidance, it is not readily usable for development cooperation purposes. For example, the regional context is barely mentioned in spite of the comparative advantage and economies of scale to be gained from regional action. Only the UK and Sweden (SIDA) has so far developed a specific DRR policy/strategy but other Member States are planning to do so. Indeed, some 10 Member States and the Commission are currently stepping up individual support for DRR. This will inevitably lead to more fragmentation and/or duplication of effort if there is no EU strategy to guide such efforts.
- *Lack of a common voice.* The EU currently lacks a common voice on DRR even though its thinking on DRR is clearly converging. DRR needs to be part of the political dialogue between the EU and developing countries and will be most effective if the EU's message is consistent and coordinated. For example, the lack of a distinct and coordinated EU presence at the 1st Global Platform on Disaster Reduction in 2007 was evident. The UNFCCC is another forum in which a coordinated EU position on DRR and climate change would be helpful.
- *Limited progress with the integration of DRR.* Given the risk that disasters pose to development, DRR needs to be better integrated into EU development cooperation. Such efforts are currently ongoing in several Member States and the Commission but progress so far has been uneven and limited and needs to be improved.<sup>21</sup>
- *Limited linking of DRR and climate change.* DRR is an essential part of successful adaptation to climate change and effective DRR increasingly needs to take account of the changes in risk associated with climate change. However, in practice, the benefits and synergies of linking DRR and adaptation are not systematically identified and capitalised upon.

All of the above suggests that an EU strategy supporting DRR in developing countries would give the EU the strategic direction it is currently lacking, while at the same time pulling together all ongoing EU DRR efforts, allowing benefits and synergies to be exploited in a more coherent and coordinated manner, including those related to policy coherence, non-duplication of effort, cost-effectiveness, efficiency and exchange of best practice.

#### 4. OBJECTIVES

In light of the challenges outlined in the previous section, the overall objective should be to **contribute to sustainable development and poverty eradication by reducing the burden of disasters on the poor and the most vulnerable countries and population groups, by means of improved DRR.**

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<sup>21</sup> Tearfund (2007): Institutional donor progress with mainstreaming DRR.

Strategic objectives would then be to:

- (1) support developing countries in integrating DRR considerations into their development policies and planning effectively;
- (2) support developing countries and societies in reducing disaster risk more effectively, through targeted action on disaster prevention, mitigation and preparedness;
- (3) integrate DRR considerations more effectively into EU development and humanitarian aid policies and programming, and crisis response where it covers disaster response and recovery.

## 5. POLICY OPTIONS

With a view to meeting the above objectives, the Commission examined three policy options.

### 5.1. Policy options

**Option 1: No new EU policy or strategy** on DRR (baseline scenario). The European Commission and EU Member States would continue with ‘business as usual’, i.e. mostly a programme or project approach to DRR, addressing key needs in some key countries/regions but without any strategic guidance or means for strengthening EU coordination, complementary and coherence on DRR beyond existing one-off actions and approaches.

**Option 2: An EC strategy for supporting DRR in developing countries** which would guide Commission instruments only. This second option is a ‘limited approach’ in which the Commission would adopt its own unilateral strategy towards DRR.

This would allow strategic programming of increased Commission resources for DRR, in particular under the 10th European Development Fund, and guidance on mainstreaming DRR considerations in the Community’s overall development and humanitarian aid.

**Option 3: A comprehensive EU strategy for supporting DRR in developing countries**, encompassing both development cooperation and humanitarian aid, in support of the Hyogo Framework for Action. This strategy would be supported by both EC and Member States’ instruments.

This third option would reflect the European Consensus on Development and Humanitarian Aid and be based on the EU’s comparative advantage as collectively the largest donor in the world, with global coverage. It would use the emerging momentum on DRR and strengthen EU coordination, complementary and coherence for increased efficiency and concrete results in developing countries.

### 5.2. Option 3 — an EU strategy supporting DRR in developing countries

The proposed strategy would build on strategic work done by the EC<sup>22</sup> and Member States, and DRR lessons learnt from all developing country regions. While the priority areas for

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<sup>22</sup> Commission communications on Reinforcing the Union's disaster response capacity (COM(2008)130); Building a Global Climate Change Alliance between the European Union and poor developing countries most vulnerable to climate change (COM(2007)540); Reinforcing EU disaster and crisis



intervention below would be fully in line with the priorities of the Hyogo Framework, the strategy's objectives and the implementation priorities would specifically reflect the context of existing partnership and cooperation between the EU and developing countries, including at the regional level.

- (1) ensure that DRR is a national and local priority with strong institutional basis for implementation;
- (2) identify, assess, and monitor disaster risks — and enhance early warning;
- (3) use knowledge, innovation, and education to build a culture of safety and resilience at all levels;
- (4) reduce the underlying risk factors;
- (5) strengthen disaster preparedness for effective response at all levels.

#### *5.2.1. Geographic coverage, scope and approach*

All developing countries<sup>23</sup> and EU Overseas Countries and Territories (OCTs) would be covered by the strategy, but particular attention would be given to disaster-prone regions, least developed and highly vulnerable countries and localities, and the most vulnerable groups.<sup>24</sup> Collaboration on DRR with the outermost regions would also be furthered.

The disasters targeted would be those caused by natural<sup>25</sup> and technological hazards. However, different hazards can interact, resulting in a domino effect — e.g., environmental degradation increasing the impact of flooding, bringing on epidemics. A multi-hazard approach should therefore be adopted as appropriate, since it can lead to greater resilience to other types of disaster as well. While acknowledging that disasters can exacerbate existing tensions and instability, the strategy would not address man-made disasters such as conflict and war.<sup>26</sup> Consideration would be given to both slow- and rapid-onset disasters; to large-scale as well as localised but frequently occurring disasters such as landslides, flash floods, fires, storms, outbreaks of human and animal diseases and plant pests, bearing in mind that they may require different approaches.

The strategy would combine support for the integration of DRR in EU external action and in developing countries' strategies, and targeted DRR action which can usefully complement integration efforts with great immediate impact. Examples include key DRR investment with good replication potential, such as specific DRR programmes or regional early warning systems. The regional dimension is crucial since disasters do not stop at borders. The EU would use its presence and experience at regional level to support action that is more effectively taken at regional level in line with the principles of comparative advantage and subsidiarity.

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response in third countries (COM(2005)153), the joint High Representative and Commission paper on Climate and international security (S113/08) and the Commission Staff Working Paper on Disaster Preparedness and Prevention (2003).

<sup>23</sup> OECD/DAC list of ODA recipients.

<sup>24</sup> To be further identified through risk analysis at the relevant levels and resulting vulnerabilities and specific needs.

<sup>25</sup> Biological, geophysical or hydro-meteorological.

<sup>26</sup> In such situations, linking DRR to crisis prevention and response efforts will be important.

### 5.2.2. Implementation priorities

The EU should support the full implementation of the strategy making use of its wide experience with DRR. However, it is suggested that a quick start should be made in the below areas where the EU has a comparative advantage:

- *Political dialogue on DRR.* The EU should launch a political dialogue on DRR with all developing regions and countries in existing fora, including in support of advancing climate change negotiations on a UNFCCC post-2012 arrangement. The EU should further aim for a coordinated presence at the 2nd Global Platform for DRR in June 2009.
- *Regional Action Plans on DRR.* The EU should support the development and implementation of DRR action plans in disaster-prone regions. These could be implemented partly by up-scaling existing EU DRR projects and programmes, building on developing countries' strategies and priorities. They should also complement and support adaptation initiatives such as the GCCA. It is suggested to start with an Action Plan for the Caribbean to support *inter alia* the implementation of the Comprehensive Disaster Management Strategy<sup>27</sup>. Others should follow, e.g. for Latin America, South-East Asia, Africa and the Pacific.
- *Integration of DRR into EU and developing country policies and planning and support for key national DRR investment.* The EU should integrate DRR into EU development cooperation, humanitarian response and recovery efforts, making full use of best integration practice and tools developed by the Commission and individual Member States, including those for the environment and climate change and civil protection authorities. The Commission should use the next mid-term review of country and regional strategy papers as an entry point for having DRR considerations fully integrated in its development assistance, where appropriate, in the next programming cycle starting in 2012.
- The EU should also support the integration of DRR into developing countries' national policies and planning, including relevant sector policies and strategies, particularly Poverty Reduction Strategy Papers (PRSPs), disaster-sensitive sectors, and relevant cross-cutting issues. The EU should coordinate its support for key DRR investment already identified and planned for in such national frameworks.

To take forward the political dialogue on DRR, oversee the implementation of the strategy and foster coordination and alignment of EU support, the Commission should set up an EU DRR Steering Group (SG) including the Commission and EU Member States.

### 5.2.3. Funding instruments

The EU should implement the strategy using the full range of funding instruments at its disposal and in the context of the EU target of raising Official Development Assistance

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The Eastern Caribbean countries are among the 10 most disaster-prone countries in the world. An Action Plan for the Caribbean should also be closely linked to the implementation of the Cariforum–EU Declaration on Climate Change and Energy (05/08).

(ODA) to 0.56% of GNP by 2010<sup>28</sup>. Indeed, several Member States and the Commission<sup>29</sup> are currently scaling up funding for DRR within existing financial frameworks. Although the communication does not have any additional financial implications and the actions will be financed within the existing financial framework 2007-2013, it provides the framework for ensuring that existing instruments are complementary and are used to best effect, including better inter-linking of DRR funding from development and humanitarian instruments.

As to the EC, its main funding sources include the European Development Fund (EDF) and instruments of the EC general budget<sup>30</sup>. Individual DRR allocations are further articulated in Country and Regional Strategy Papers for all developing regions, intra-ACP programmes, Drought Preparedness and DIPECHO programmes in the humanitarian aid context, and in thematic programmes on food security and environment/natural resources. For example, €180 million has been proposed to be allocated to DRR under 10<sup>th</sup> EDF intra-ACP resources.<sup>31</sup> The Commission should explore a better integrated articulation between the above. The 7<sup>th</sup> Research Framework Programme (FP7) and the Commission's Joint Research Centre also support a substantial amount of hazard- and disaster-related research and tools.

The EU should also explore ways of mobilising innovative funding, additional to existing ODA, for the benefit of both DRR and climate change adaptation. The Global Climate Financing Mechanism, currently being developed by the Commission, could be one such instrument.

## **6. IMPACT OF THE POLICY OPTIONS**

Given its policy nature, it is extremely difficult to quantify the impacts the three above-mentioned options will have on developing countries and their capacity to cope with disasters. In particular, factors such as the non-binding nature of policy; the multitude of actors working on disaster risk reduction, including non-EU donors; a lack of ownership of agreed policy and relevant DRR indicators contribute to the difficulty of quantifying and clearly attributing any impact to any discrete policy interventions, whether at EC or EU level.

However, it is possible to assess and differentiate, at a more generic level, the possible impacts the three policy options may have and to identify barriers and enabling environments.

### **6.1. Political impact**

Strong political commitment both on the part of partner countries, at national and local level, and donors and well rooted engagement of non-state actors and vulnerable groups is key to achieving visibility for DRR and advancing DRR issues at all levels. Developing countries should be supported to take the lead on DRR and implement the Hyogo Framework.

A 'no policy change' scenario would do little to increase the policy profile of DRR either within the EC/EU or in developing countries. This is due to the current non-strategic focus of both Commission and EU Member States assistance, which is mainly support for individual

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<sup>28</sup> Target reconfirmed in Doha 2008.

<sup>29</sup> Commitments in 2006 : €39.95 million, and in 2007: €65.06 million, from Dipecho, Greater Horn of Africa and EDF resources.

<sup>30</sup> Instruments for: i) development cooperation, ii) humanitarian aid, iii) stability, iv) European Neighbourhood and Partnership.

<sup>31</sup> Multi-annual intra-ACP programme to be adopted in December 2008.

programmes and projects. The only Member State that has developed a DRR strategy so far is the UK. Political impact would thus remain low for this option.

The option of an EC strategy would provide the framework for strengthening DRR dialogue between the Commission and partner countries, in particular when developing, evaluating and revising Country and Regional Strategy Papers. This could indeed strengthen the policy profile of DRR and make it a more prioritised issue for developing countries. It would still be an incomplete approach, however, since it would be done in isolation by the EC and would therefore still have only limited political impact.

An EU Strategy would fully support an EU advocacy role, both internally and externally, to increase the visibility of, and demonstrate the need for and benefits of DRR. A joint EU message, where everybody would be speaking the same language, would provide the critical mass needed to place DRR firmly on the agenda with developing countries and help to remediate a lack of political commitment. The impact could be medium to high for this option.

## **6.2. Economic impact**

Disaster can have enormous economic impacts on developing countries, in particular the least developed countries, depriving them of resources needed to escape poverty. For donors, investing in DRR is likely to lead to lesser costs with regard to humanitarian aid, recovery and reconstruction in the aftermaths of disasters since economic losses can be mitigated through DRR policies and action. Furthermore, making sure that development investment is disaster resilient from the very start ensures that such investment is sustainable and cost-effective. In short, evidence shows that investment in DRR pays off.

A ‘no policy change’ scenario would basically continue to support one-off DRR efforts that would mitigate the risk of economic losses, for example through investing in disaster-resilient infrastructure, which can have good local benefits in terms of reduced economic losses and impact. However, the macro-economic impacts of disasters can be such that whole countries and regions may suffer for considerable time. Such scale impacts cannot be addressed solely on a programme/project basis, which indicates the limits of this option and the need for more strategic solutions.

An EC strategy could be much more instrumental in reducing adverse economic impacts in developing countries, by combining strategic targeted interventions with integration of DRR into overall EC development policies and planning as a main route to strengthening the resilience and sustainability of development efforts. However, to be able to support developing countries addressing macro-economic impacts of large scale disasters, the Commission cannot and should not be working on its own.

An EU strategy would allow the EU to have a more coordinated approach in a number of areas, including integration, making use of both Commission and EU Member States experiences and tools to help prevent and mitigate economic losses in developing countries and loss of donor investment. Well-coordinated action is more effective, more strategic and more anticipatory. This will be particularly important in connection with scaling up aid for DRR.

### 6.3. Social impact

Disasters triggered by natural hazards cost lives, ruin livelihoods and can trigger subsequent health disasters such as outbreaks of cholera and diarrhoea. Vulnerability to disasters is also increased through poverty, lack of social and financial safety-nets, poor health and disability. On the other hand, investing in public awareness raising campaigns and training programmes helps inform people about the risk they may face and about possible options and measures they can take to reduce vulnerability and better prepare themselves — and if they are motivated to act, disasters can be reduced substantially.

Once again, a ‘no policy change’ scenario can have local benefits in terms of raised awareness through specific programmes and projects. But in order to address and mitigate the whole range of negative social impacts due to disasters, a more strategic and holistic approach is called for.

An EC strategy could be more coordinated and help integrate DRR in relevant sector policies, thereby limiting both social and economic impacts, while contributing to a culture of safety and resilience at all levels. But again, we would have the EC acting on its own with limited results and a risk of both duplication of efforts and significant gaps.

An EU strategy would make use of the EU’s collective experience and instruments, while at the same time ensure policy coherence with closely related policy areas such as poverty reduction, gender, health and education in order to minimise social impacts of disasters on developing countries. Building for example on ongoing preparedness programmes, the EU strategy could be a suitable framework for scaling up EU initiatives and programmes in a coordinated and effective way.

### 6.4. Environmental impact

Environmental impacts following disasters can be significant and even irreversible. Also, vulnerability to natural hazards is increased in many ways, for example through poor natural resources management, environmental degradation and increasing climate change.

A ‘no policy change’ scenario of DRR programmes and projects would again be mostly local, reactive and non-strategic. This may not be the best way to address linkages to increasing climate change, which is global and needs a strategic, anticipatory approach.

An EC strategy would be more suited to addressing these kinds of challenges and enable important linkages to Commission-led EU initiatives such as the Global Climate Change Alliance to made and acted upon.

An EU Strategy would also commit both the Commission and Member States to work more closely and collaboratively with important DRR/environment interfaces such as climate change and should contribute to the development of policies for adapting to climate change and measures to be decided under the UNFCCC post-2012 arrangement.

## 7. COMPARING THE OPTIONS

In line with the guidelines for impact assessments, the criteria used to evaluate the three options outlined in section 6 were **effectiveness** (the extent to which options can be expected to achieve the objectives of the proposal), **efficiency** (the extent to which objectives can be

achieved for a given level of resources/at least cost), and **consistency** (the extent to which options are likely to limit trade-offs across the economic, social, and environmental domain).

While each of the policy options could have benefits with regard to DRR in developing countries, the Commission prefers the third option, an EU strategy, since it is the only option that would contribute substantially to the objectives identified in section 4.

The desirability of action at EU level is explained by the following factors:

- The European Consensus on Development and the European Consensus on Humanitarian Aid both commit the EU to progress on EU policy and action on DRR. An EU strategy will foster joint understanding of priorities and areas where EU instruments can obtain the greatest impact.
- The EU is the largest aid donor, but still needs to make progress with regard to effectiveness, efficiency and lower transaction costs. Closer EU collaboration on a common DRR framework will contribute to this and constitutes good policy and practice; collective EU action will be more efficient than actions taken by individual Member States and actions will better complement each other.
- Making full strategic use of the various strengths of Commission and the Member States with regard to DRR is fully in line with the Paris Declaration on Aid effectiveness and the EU Code of Conduct and Division of Labour.
- EU partner countries will benefit from more donor coordination (dealing with fewer donors, more consistent messages) and possibly more significant support for DRR, given current up-scaling of funding and less duplication and/or fragmentation of aid.

## **8. ORGANISATION OF MONITORING AND EVALUATION**

The proposed EU DRR Steering Group should drive the monitoring and evaluation process for the proposed strategy and establish appropriate timelines. Care should be taken not to duplicate existing institutional structures dealing with closely connected and overlapping issues such as climate change adaptation. Two types of complementary monitoring and evaluation mechanisms could be proposed.

- A. Multiannual progress reports on the implementation of the strategy based on contributions by the Commission and the Member States detailing support for DRR in developing countries and progress with integrating DRR in bilateral development programming. This would include the development of relevant progress and performance indicators.
- B. Occasional multi-stakeholder conferences to publicise progress on the implementation of the Strategy, pool experiences and lessons learnt and obtain direct feedback on implementation.