

# Case study

## Emergency preparedness financing in Nepal: desk review

### Background to risk and finance in Nepal

#### Risk profile: background

Nepal experiences a range of natural hazards, some of which occur year on year such as floods and landslides and others that occur less frequently but have the potential to cause more devastation, such as earthquakes. Due to its geographic location Nepal is very active seismically and is vulnerable to earthquakes. The country lies on a fault line where two tectonic plates meet, and any movement of these plates can cause an earthquake to occur. Past records have shown that Nepal can expect two earthquakes of magnitude 7.5-8 on the Richter Scale every 40 years.<sup>1</sup> A survey by the Kathmandu Valley Earthquake Risk Management Project estimates (conservatively) that if an earthquake of this size occurs in Nepal then approximately 40,000 people could die and 100,000 could get injured.<sup>2</sup> More recently on 18 September 2011 an earthquake hit the Himalaya region killing at least 63 people and damaging more than 100,000 homes in Nepal, India and Tibet. The epicentre was in Taplejung district in the north-eastern part of Nepal and reached a magnitude of 6.8.<sup>3</sup> In addition the day before the recent earthquake a landslide had killed 17 people.<sup>4</sup>

These complex natural conditions make Nepal one of the 20 most disaster-prone countries in the world.<sup>5</sup> The World Risk Index ranks it 99 out of 173 countries (6.15%) in terms of overall risk – scoring ‘very high’ in terms of vulnerability (61.69%) and ‘high’ in terms of susceptibility (50.712%), lack of coping capabilities (81.84%) and lack of adaptive capacities (52.52%).<sup>6</sup>

Nepal has emerged from a decade of conflict with much of its population living in poverty. In 2010 it was ranked 138 out of 169 countries in the UN’s Human Development Index.<sup>7</sup> Nepal still has a long way to go in terms of development and this, together with weak infrastructure (roads, buildings) and overpopulation in urban areas, makes it increasingly vulnerable to natural shocks. The need for prevention and preparedness approaches and disaster risk reduction (DRR) strategies is paramount.

<sup>1</sup> [http://www.nset.org.np/nset/html/publication/pdfFiles/Manual\\_degblgd.pdf](http://www.nset.org.np/nset/html/publication/pdfFiles/Manual_degblgd.pdf)

<sup>2</sup> <http://www.guardian.co.uk/global-development/poverty-matters/2011/apr/15/disaster-risk-reduction-nepal-earthquake>

<sup>3</sup> <http://w3.gdacs.org/reports.asp?ID=111788>

<sup>4</sup> <http://www.facebook.com/pages/Nepal-Risk-Reduction-Consortium/218794191502827?ref=ts>

<sup>5</sup> Disaster Risk Reduction in Nepal: flagship programmes, the Nepal Risk Reduction Consortium  
<http://www.un.org.np/sites/default/files/report/2011-04-19-nrrc-document-version-april-2011.pdf>

<sup>6</sup> [http://reliefweb.int/sites/reliefweb.int/files/resources/Full\\_Report\\_2240.pdf](http://reliefweb.int/sites/reliefweb.int/files/resources/Full_Report_2240.pdf)

<sup>7</sup> <http://hdrstats.undp.org/en/countries/profiles/NPL.html>

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## Natural disasters

Natural hazards can turn into disasters more often than not. In the last 30 years 78 events have been recorded that have killed over 11,000 people and affected more than 5 million. The economic damage caused has been, on average, US\$ 43.5 million a year.

Natural disasters 1980 -2010	
Number of events	78
Number of people killed	11,112
Average killed per year	358
Number of people affected	5,165,810
Average affected per year	166,639
Economic damage (US\$ X 1,000)	1,351,229
Economic damage per year (US\$ X 1,000)	43,588

Figure 1: Details of natural disasters in Nepal, 1980-2010. Source: PreventionWeb based on CRED data

Floods have affected the highest number of people, 3.4 million since 1980, at an average occurrence of once a year. It is therefore not surprising that the country is ranked twelfth out of 162 in terms of risk of flooding.<sup>8</sup>

Although earthquakes do not occur as frequently as floods they can cause a large number of deaths as well as severe destruction to livelihoods, infrastructure and the economy. The 1934 earthquake killed 8,000 people and extensive damage to buildings. An earthquake of this intensity is expected every 75 years, which makes it inevitable that one could hit at any time. With an increase in population and poorly controlled urbanisation a greater loss of life and devastation is expected.

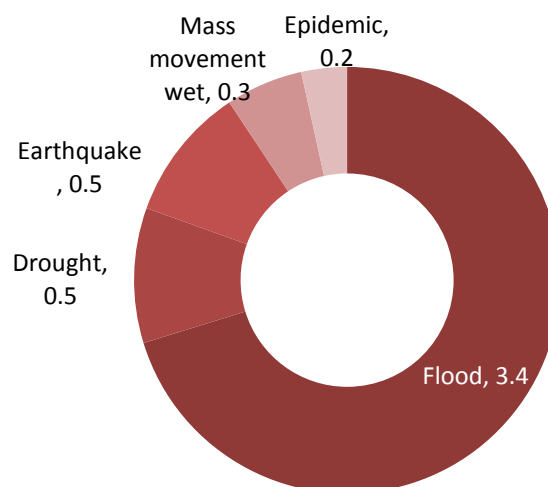


Figure 2: People affected by natural disasters in Nepal, 1980-2010 (millions). Source: Development Initiatives based on CRED data

<sup>8</sup> <http://www.preventionweb.net/english/countries/statistics/index.php?cid=121>

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## Conflict

Nepal witnessed intrastate conflict for ten years, and although the civil war ended in 2006 the country is still politically unstable. Although conflict risk assessment was not included in the government-led multi-hazard assessment it formed part of an earlier document looking at conflict-related hazards in Asia-Pacific. According to this assessment Nepal was ranked fourth out of the 23 regional countries in terms of the probability of intrastate conflict occurring in 2008.<sup>9</sup>

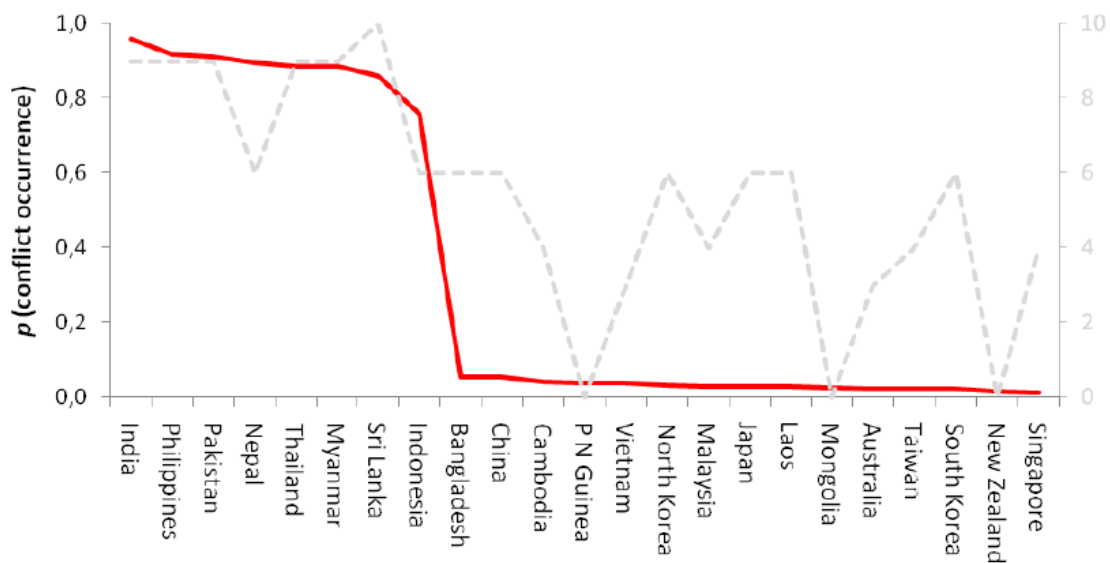


Figure 3: Estimated probability of armed intrastate conflict in 2008. Note: the dotted line, plotted against the right vertical axis, displays the scores from OCHA's assessment of conflict hazard, which also accounts for the intensity of earlier violence (OCHA Global Focus, August 2007). Source: Natural and conflict-related hazards in Asia-Pacific (OCHA)

## Aid to Nepal

Over the last 15 years Nepal has received US\$8.3 billion in official development assistance (ODA), ranking it 39 out of 175 countries. The amount of humanitarian aid (HA) received as a percentage of ODA has averaged at 6.5% since 1995. However following a peak in 2002 (US\$38.3 million) humanitarian aid increased steadily from US\$32.7 million in 2004 to US\$85.3 million in 2008 before declining by 7.8% in 2009 (to US\$78.7 million). This increase can be attributed to support for those people affected by conflict or floods.

<sup>9</sup> [http://www.grid.unep.ch/product/publication/download/Naturalconflictrelatedhazard\\_Asia\\_Pacific.pdf](http://www.grid.unep.ch/product/publication/download/Naturalconflictrelatedhazard_Asia_Pacific.pdf)

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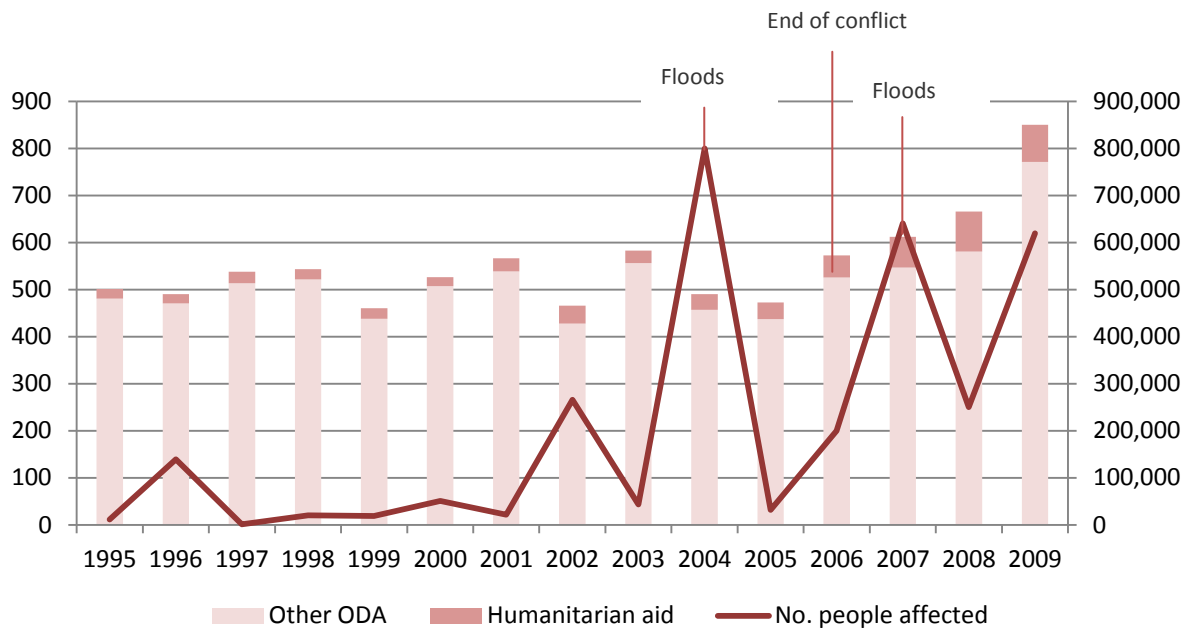


Figure 4: Development and humanitarian aid to Nepal, 1995-2009 (constant 2009 prices) and number of people affected by disasters. Source: Development Initiatives based on OECD DAC and CRED data

## Current funding to preparedness

Financial support to preparedness in Nepal can be examined using the OECD DAC CRS and extracting the code 'prevention and preparedness' within humanitarian funding.

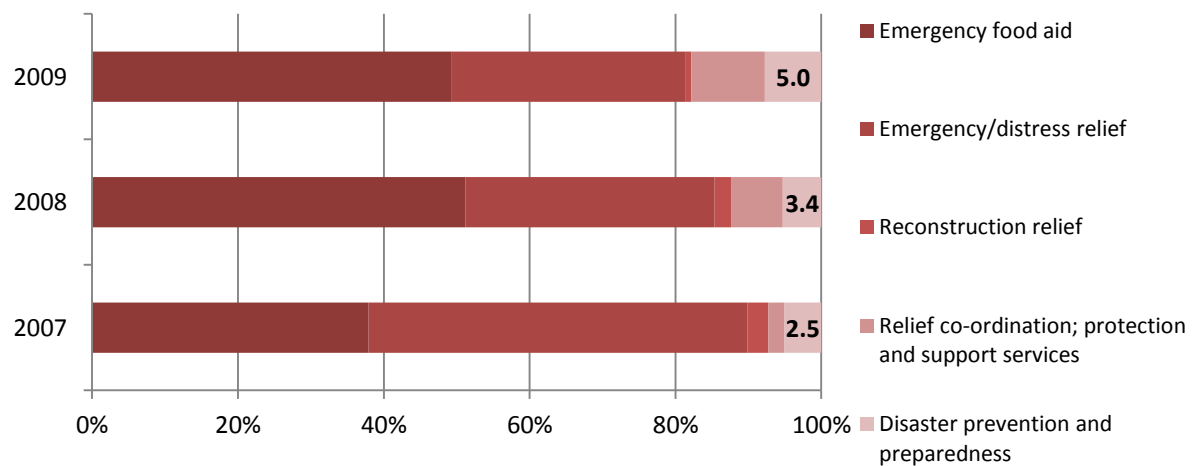


Figure 5: Funding reported to prevention and preparedness code, 2007-2009 (US\$ million). Source: Development Initiatives based on OECD CRS data

Although the focus of humanitarian aid is food and emergency relief assistance; funding to preparedness activities in Nepal has increased from US\$2.5 million in 2007 to US\$5 million in 2009. This accounted for 7.8% of total humanitarian aid.

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In 2007 only two government donors reported funding for prevention and preparedness in Nepal, the European Union and the United States. These same two donors remained top in 2008 and 2009. In 2009 a total of eight government donors reported funding for prevention and preparedness to Nepal.

Government donors	2007	2008	2009
EU Institutions	2.38	1.99	2.68
United States	0.03	1.28	0.87
Finland		0.05	0.62
Korea			0.14
Australia			0.11
Austria		0.05	0.04
Ireland			0.06
Luxembourg			0.02

Figure 2: Government donors to Nepal for prevention and preparedness, 2007-2009 (US\$m constant 2009 prices). Source: Development Initiatives based on OECD CRS data

The top delivery channel for prevention and preparedness has been NGOs, accounting for 52% of total funding.

Delivery channel	2007 -2009 (US\$m)
NGOs and civil society	2.9
National NGOs	2.6
Other	2.3
UNDP	1.2
Public sector (donor, recipient, other)	1.0
UNICEF	0.4
Not specified	0.2
WHO	0.1
International NGOs	0.1

Figure 3: Channels of delivery for prevention and preparedness (constant 2009 prices). Source: Development Initiatives based on OECD CRS data

### Tracking preparedness and DRR through UNOCHA FTS

In order to get an idea of current funding for preparedness, data is analysed from the Organisation for Economic Cooperation and Development (OECD)'s financial tracking service (FTS). There is no code for preparedness funding in the FTS so each project line has to be examined and extracted.

Between 2007 and 2009 levels of preparedness funding averaged US\$1.7 million, however by July 2011 preparedness funding had already reached US\$4.0 million for the first seven months of the

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year, all contributed by only one donor, European Commission Humanitarian Aid & Civil Protection Department (ECHO). This accounts for 10% of humanitarian aid to Nepal for the same period.

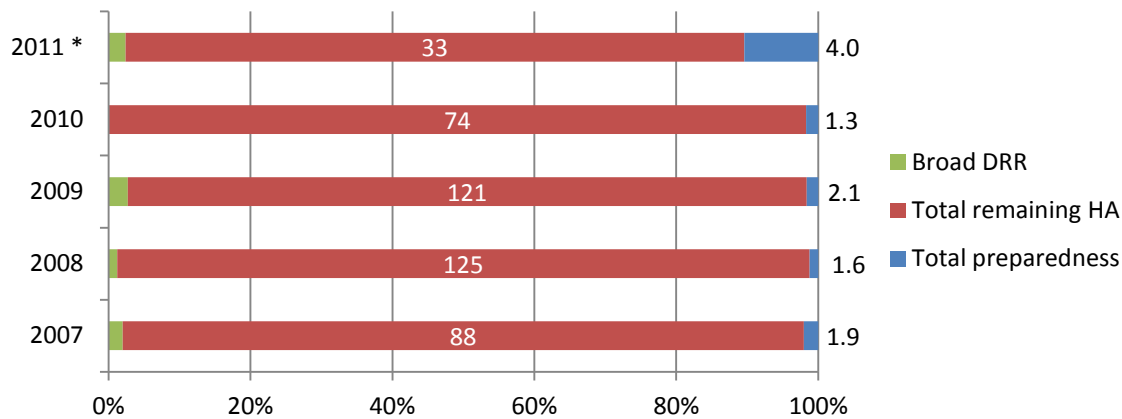


Figure 5: Funding for disaster preparedness reported through UNOCHA FTS 2007- 2011. Source: Development Initiatives based on UNOCHA FTS \*2011 data, download 28 July 2011

## DRR/preparedness structures and initiatives in Nepal

The hazards to which Nepal is exposed make it a priority country for risk reduction initiatives and preparedness interventions. The institutionalisation of disaster risk management is proposed through various strategies as well as revision of existing legislation relating to disasters.

### Legislation

Current legislation in Nepal is largely focused on response and relief, and the Natural Calamity Act 1982, the guiding legislation for disaster management, does not detail systems or procedures for preventative or preparedness measures. A revision of this Act is currently going through Parliament and is waiting to be passed. This new Act will be titled the National Disaster Management Act and will include DRR.

Despite a lack of legislation covering DRR, the Government of Nepal has taken steps to address risk reduction in several plans and strategies. The environmental policy and action plan was introduced in 1993 by the Government to decentralise disaster risk management; this was complemented by the Local Self-Governance Act in 1999 that grants local government the responsibility and decision making capability for local-level disaster management. In order to facilitate the dissemination to all levels of information relating to disasters, the Disaster Preparedness Network (DPNet) was established in 1996.

More recently the National Strategy for Disaster Risk Management was devised in 2008 (approved in October 2009) by the Government in partnership with the United Nations Development Programme (UNDP) and *“endeavours to facilitate the required change in order to achieve the goal of a disaster resilient Nepal by providing guidance for improving the policy and legal environment, and by prioritising the strategic interventions”*<sup>10</sup>. It builds on the aims of the tenth National Development

<sup>10</sup> <http://www.undp.org.np/pdf/NSDRMFinalDraft.pdf>

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Plan (2002-2007) and the Interim National Development Plan (2008-2010) to establish an organised approach to DRR and reinforce this approach in plans and strategies based on the capacities of national actors.

In order to effectively reduce the risks caused by hazards the Government of Nepal led a multi-hazard assessment. This was facilitated by the Ministry of Home Affairs in collaboration with multi-disciplinary technical and scientific partners and supported by the World Bank's GFDRR. It includes detailed assessments of different risk exposure, hazard by hazard, which lead to initial recommendations for risk-reducing interventions in key at-risk areas.<sup>11</sup>

## Funds

Several funds have been set up to ensure financing is available to support any response at a national level:

- Prime Minister's Disaster Relief Fund
- Central Disaster Relief Fund (CDRF) - received NR100 million, 2008-2009
- District Disaster Relief Fund (DDRF)
- Natural Disaster Relief and Reconstruction Fund established in 2008 - approximately NR2 billion put aside in August 2008 for the Koshi floods
- All districts are required to reserve at least NR 100,000 in case a disaster occurs.



Figure 6: Country owned structures at all levels to support effective preparedness planning in Nepal.

## Nepal Risk Reduction Consortium (NRRC)

The Nepal Risk Reduction Consortium (NRRC) was launched by the Government of Nepal in May 2009 and is supported by a number of international institutions and donors. It aims to generate funding for, and improve the coordination of, disaster preparedness and risk reduction in Nepal. It attempts to build on the National Strategy for Disaster Risk Management (NSDRM) and help support

<sup>11</sup> <http://gfdr.org/gfdr/node/331>

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the Government of Nepal develop a DRR Action Plan. The NRRC is based on the assumption that a coordinated approach between different organisations engaged in DRR issues needs to be adopted, drawing on the experience and strengths of different institutions.

The objectives of the Consortium are based on the pending draft Act which will replace the 1982 National Calamity Act. In recent years the frequency and impact of global seismic activity in Haiti, New Zealand and Japan has demonstrated the severity and destructive outcome of such disasters, highlighting the need for preparedness and preventative measures in Nepal.

## Members

The NRRC is led by the Government of Nepal and includes six founding members:

- Asian Development Bank (ADB)
- International Federation of the Red Cross and Red Crescent Societies (IFRC)
- United Nations Development Programme (UNDP)
- UN Office for the Coordination of Humanitarian Affairs (OCHA)
- UN International Strategy for Disaster Reduction (ISDR)
- World Bank.

There are five additional Consortium members:

- World Health Organisation (WHO)
- European Commission Humanitarian Aid & Civil Protection Department (ECHO)
- UKAid
- Embassy of the United States
- AusAid.

The Consortium is planning to include more stakeholders in the DRR process, such as international financial institutions (IFIs).

## Flagship areas and budget

The Consortium has been broken down into five flagship areas with a coordinating institution assigned to each area, details of which can be found in the table below. These five areas have been identified priorities for addressing DRR in Nepal. The flagships have each proposed a budget based on a three year programme, which have an estimated total of US\$146.8 million. The individual budgets vary in size, as does the current funding committed to each area.



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	Flagship 1	Flagship 2	Flagship 3	Flagship 4	Flagship 5
<b>Area</b>	School and hospital safety	Emergency preparedness and response capacity	Flood management in Koshi River Basin	Community-based DRR/DRM	Policy and institutional support for DRM
<b>Issues</b>	30% of schools at risk of collapse during major earthquake, 80% of hospitals require seismic retrofitting.	Lack of emergency responders e.g. Fire Service and Urban Search and Rescue, difficulties in co-ordination and communication	Annually, floods and landslides cause 300 deaths and estimated economic damage of US\$10 million	Annually 10,000 families affected by disaster, an average loss of 2 lives a day	The previous 4 flagship areas will only work if they have strong institutional guidance and support from the Government through legislation
<b>Coordinator</b>	ADB (supported by WHO)	OCHA	World Bank	IFRC	UNDP
<b>Government of Nepal focal point</b>	Ministry of Education, Ministry of Health and Population, Ministry of Physical Planning and works	Ministry of Home Affairs	Ministry of Irrigations and Department of Water Induced Disasters, Ministry of Environment and Department of Hydrology and Meteorology	Ministry of Local Development	Ministry of Home Affairs, Office of the Prime Minister, National Planning Commission, Ministry of Law and Justice
<b>Budget</b>	US\$50.8 million	US\$28 million	US\$24.2 million	US\$30 million	US\$13.8 million
<b>Estimated committed funds</b>	54% funded	13-20% funded by bilateral arrangements Currently limited resources	Scheduled for 2012		40% funded

## Donor funding to the Consortium and preparedness activities in Nepal

Donors have two options for providing support to the Consortium:

- to fund government departments for the activities covered by the Consortium
- to form bilateral agreements with agencies that are implementing activities under the Consortium, which relies on agencies' own fundraising efforts.

## Donor funding inside and outside the Consortium

There are currently six donors that are funding or plan to fund activities inside the Consortium; information can be found in the table below. For some, especially those that joined in 2011, the exact detail of their financial support is yet to be decided.

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Donor	Funding to the Consortium	Agencies	Timeframe	Flagship areas	Date joined	Funding outside the Consortium
<b>DFID</b>	£10 million £10 million	tbd	April 2011- March 2015 April 2011- March 2015	1 2, 4, 5	2011	£25 million (April 2011- March 2015) Nepal Climate Change Support Programme £20 million (April 2011- March 2015) forestry
<b>GFDRR</b>	US\$10.4 million		3 years	1, 2, 3	2009	US\$900,000 (to date) Risk assessment at district level Glacial lake outburst floods mapping Seismic safe school programme
<b>ECHO* (DIPECHO)</b>	€3.2 million	7 NGOs, 3 UN Agencies	March 2011- Sept 2012	1-5	2010	-
<b>AusAID</b>	tbd	ADB	2011-2012 dispersal to ADB	1	2011	AUD400,000 (June 2008-Dec 2010) establishment of the Nepal Emergency Operations Centre and Surakshit Samudaya  AUD141,367 (June 2009-Dec 2010)– building disaster resilient communities in Nepal (Banke, Sunsari and Udaypur)
<b>Japan</b>	US\$1.5 million tbc	Via World Bank	November 2011-October 2013 (tbc)	1	Observer	Dispatched 2 experts to NSET  Financially supported community flood management project implemented by a Japanese NGO
<b>Asian Development Bank (ADB)</b>	US\$5.1 million	-	2010-2014	1		A planned intervention to support Government to prevent water- induced disasters (2012)

\*NOTE: There is no direct funding from ECHO to the NRRC. ECHO contributes to the various NRRC flagship programmes through its own DIPECHO programmes. This funding can either be placed inside or outside the Consortium. It has not been possible to conduct interviews with USAID.

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## DFID

In the UK there has been strong political momentum and support for DRR and preparedness activities, with a specific focus on Nepal. An outcome of DFID's Humanitarian Emergency Response Review (HERR) was for resilience to be mainstreamed across DFID programmes and placed "at the heart of our approach both to longer-term development and to emergency response".<sup>12</sup> DFID's Bilateral Aid Review, March 2011, listed Nepal as an expected priority country for the UK.<sup>13</sup> In addition there has been high profile support from Alan Duncan, DFID's Minister for International Development, for preparedness funding to Nepal, who has pledged £20 million (US\$30 million) to the Consortium over the next four years.<sup>14</sup>

DFID's planned spending for climate and preparedness activities in Nepal over the next four years (April 2011-March 2015) include the following two areas:

- Nepal Climate Change Support Programme, £25 million
- support to Earthquake Readiness in Nepal (which includes money to the Consortium), £20 million.

DFID announced that it would join the Consortium in early 2011, which means that funding and flagship area allocation are still due to be finalised. It is likely that DFID will channel £10 million to flagship 1 for hospital safety and that the remaining £10 million will be spread across flagship areas 2, 4 and 5. Flagship 2 will focus on emergency response through search and rescue as well as capacity building. Flagship 4, community-based DRR, will focus on reaching 200 Village Development Communities (VDC) and urban municipalities and flagship 5 will support the UNDP's Disaster Risk Management programme. DFID is also supporting the Consortium Secretariat.

DFID's overall planned spending in Nepal for the next four years (2011-2015) is around £286.4 million.<sup>15</sup> Of this, £20 million will be for preparedness, approximately 6%. It is estimated that around 10% of DFID's Nepal aid budget is for mitigation. DFID's funding for preparedness comes from its development budget.

## World Bank/GFDRR

The World Bank is coordinating flagship area 3. To date it has spent US\$900,000 on three preparedness projects in Nepal outside of the Consortium which included:

- risk assessment at district level (in partnership with Asian disaster preparedness centre and the Ministry of Home Affairs (MoHA))
- glacial lake outburst floods mapping (with International Centre for Integrated Mountain Development)

<sup>12</sup> <http://www.dfid.gov.uk/Documents/publications1/HERR.pdf>

<sup>13</sup> [http://www.dfid.gov.uk/Documents/MAR/FINAL\\_BAR%20TECHNICAL%20REPORT.pdf](http://www.dfid.gov.uk/Documents/MAR/FINAL_BAR%20TECHNICAL%20REPORT.pdf)

<sup>14</sup> <http://www.guardian.co.uk/global-development/poverty-matters/2011/apr/15/disaster-risk-reduction-nepal-earthquake>

<sup>15</sup> <http://www.dfid.gov.uk/Documents/publications1/op/nepal-2011.pdf>

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- seismic safe school programme (with the National Society for Earthquake Technology-Nepal (N-SET)).

Further investments are planned for flagship areas 1-3 over the next three years, US\$10.4 million. In addition the Japanese Government is planning to invest a further US\$1.4 million through the World Bank for flagship area 1, school programmes.

### ECHO

ECHO does not directly fund the Consortium but contributes to the various Consortium flagship areas through its own DIPECHO programmes. For its sixth DIPECHO plan for South Asia, ECHO is providing grants worth €3.275 million (NPR 328 million) to Nepal for DRR covering nine districts in five development regions.<sup>16</sup> The funds will be available between March 2011 and September 2012 and will be for flagship areas one to five focusing specifically on community-based early warning systems (flood, landslide), community-based disaster management, hospital safety, school safety, community as first responder as well as institutional capacity building in DRR. In addition all of ECHO's partners, under DIPECHO 6 should be compliant with flagship 4 and engage in all of the flagship coordination mechanisms.

There is planned funding for the next DIPECHO funding cycle for Nepal (2013-14), which will not directly fund the Consortium, but it will contribute to its flagship areas.

### AusAID

- Between July 2011 and June 2012 AusAID's country programme aid to Nepal is estimated at approximately AUD17.2 million and its total ODA is AUD26.6 million. The focus of its development assistance in Nepal is on health, education, livelihoods and water, sanitation and hygiene.<sup>17</sup>
- In terms of preparedness funding, AusAID gave AUD400,000 between June 2008 and December 2010 and AUD141,367 between June 2009 and December 2010 for the establishment of the Nepal Emergency Operations Centre and building disaster resilient communities in Nepal (Banke, Sunsari and Udaypur).
- AusAID plans to support flagship 1 of the Consortium, education and health, which will be funded via the AsDB. The exact amount is yet to be agreed. The funding will be used for school safety and support to the Ministry of Education for the School Sector Reform Programme.

<sup>16</sup> [http://eeas.europa.eu/delegations/nepal/press\\_corner/all\\_news/news/2011/20110628\\_01\\_en.htm](http://eeas.europa.eu/delegations/nepal/press_corner/all_news/news/2011/20110628_01_en.htm)

<sup>17</sup> <http://www.ausaid.gov.au/country/country.cfm?CountryID=12&Region=SouthAsia>

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## USAID<sup>18</sup>

In 2010 Nepal was listed as a key focus under all three of Obama's development priorities: Feed the Future, the Global Health Initiative and the Global Climate Change initiative.<sup>19</sup> The United States' Country Assistance Strategy for Nepal, 2009-2013, includes five priority goals.<sup>20</sup> Goal 5, 'national capacity to prevent, mitigate and respond to disasters and address the needs of vulnerable populations improved' concentrates on three key areas:

- preparedness: providing training, awareness raising and reducing vulnerabilities in the event of an earthquake
- mitigation: reducing the vulnerability of communities during floods through improving sanitation, hygiene and nutrition awareness, rehabilitation and rebuilding infrastructure
- assistance: providing assistance for refugees.

## The role of the International Federation of Red Cross and Red Crescent (IFRC)

IFRC is not an implementing organisation in Nepal, rather its function is to support the activities of the Red Cross through technical support as well as to help coordinate support for other partners.

Within the IFRC DRR and preparedness are not separate, but are part of community preparedness which includes risk reduction. IFRC concentrates on the wider issues of vulnerabilities at community level such as poverty, access to health services, conflict, food security and health – factors which make people more vulnerable to risk.

IFRC is the lead for flagship area 4 'community-based DRR (CBDRR)/management'. It will work with and support the Ministry of Local Development and partners as well as support the rolling out of the workplan, meet targets and generate funding whilst internally supporting the Nepalese Red Cross.

Flagship area 4 has progressed fairly quickly and has set clear targets, established an advisory committee, developed a workplan and implemented M&E guidance. IFRC will actively seek funding for flagship area 4 after a funding strategy has been developed.

## The World Health Organisation (WHO)

Prior to the creation of the Consortium, WHO supported health sector emergency preparedness, including contingency planning and stockpiling measures. The organisation also carried out hospital safety activities working in partnership with the Ministry of Health and Population (MOHP) and NSET. It conducted structural and non-structural, and vulnerability assessments of hospitals in Nepal. This work was financed by the core WHO budget.

With the introduction of the Consortium, WHO has been nominated to take the lead in health-related DRR and preparedness measures in Nepal; these are covered predominantly by flagship areas 1 and 2. In relation to flagship 1, WHO has been designated as the agency responsible for the hospital safety component on behalf of the NRRC. It recently received funding from ECHO for further structural and non-structural assessments in three MOHP-identified priority hospitals. The

<sup>18</sup> We have been unable to conduct interviews with USAID to gain exact information on funding

<sup>19</sup> <http://nepal.usaid.gov/>

<sup>20</sup> [http://nepal.usaid.gov/attachments/184\\_Country%20Assistance%20Strategy%202009%20-%202013.pdf](http://nepal.usaid.gov/attachments/184_Country%20Assistance%20Strategy%202009%20-%202013.pdf)

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MOHP have also developed a proposal to conduct detailed assessments in MOHP-identified hospitals that require retrofitting and rehabilitation and have estimated the cost that would be associated with this work. With this information, in consultation with the MOHP, WHO will develop a detailed proposal with a five year plan to build the capacity of the health sector and improve the safety of infrastructure.

Under the health component of flagship 2 (emergency preparedness and response capacity) WHO has developed a concept note to expand its preparedness activities in particular training and capacity building exercises. This will continue to be financed by WHO core funding as well as by support from donors.

### **Before and after: what has the Consortium done for Nepal preparedness?**

Funding to Nepal for preparedness, as reported through the UNOCHA FTS, shows an increase from US\$1.9 million in 2007 to US\$4.0 million in 2011 (see funding to UNOCHA FTS section). Whilst this increase could be linked to the establishment of the Consortium, which may have raised the profile of funding for preparedness in Nepal, this cannot be said for certain when taking into account only an analysis of humanitarian data. The US\$4 million reported in 2011 has been committed by only one donor, ECHO, whereas we know that other donors such as the UK have also committed funding. The reason for this is that the donors, excluding ECHO, that have provided details of their financial support for the Consortium have indicated that the money will come from a development budget, as opposed to the humanitarian, and will therefore not be reported to the FTS.

As many of the funding commitments are still to be confirmed it is too premature to conclude that the Consortium has assisted in generating greater financial support to preparedness in Nepal. The Consortium is still in its early stages; the implementation of activities is just commencing so any assessments of impact and outcomes will come much later. In addition, the increase in funding to preparedness activities in 2011 may actually reflect improved *reporting* of preparedness activities.

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## Lessons learnt from the Consortium

The Consortium is still in its infancy, a three year process that has only recently gained momentum. In 2011 a number of donors made significant financial commitments. At this stage therefore, it is a little too premature to assess the Consortium's successes, outcomes and impact and to use it as a template and tool for future effective preparedness financing. However, a number of lessons can be learnt and good practice identified. The coming year is a crucial time for the Consortium in terms of project implementation and assessing its impact.

### Strengths

#### Timing

The Consortium was established in 2009 in response to a series of disasters that had occurred globally such as Pakistan in 2005, Cyclone Sidr in 2007 and China and Myanmar in 2008. It evolved during a period of 'mega' disasters such as the Haiti earthquake and Pakistan floods in 2010, and by the time it came to implementation in 2011 a number of donors were already committed to investing in DRR activities. The strategic focus and timing of the development of the Consortium has been important in its success.

#### Multi-stakeholder approach bridging development and humanitarian actors and financing

A number of key factors demonstrate the strengths of the Consortium. Firstly its institutional set-up is unique in that it provides a platform for multiple stakeholders - governments, UN agencies, IFIs and NGOs from development and humanitarian backgrounds - to become engaged in DRR/preparedness issues. It attempts to incorporate both humanitarian and development financing, whereas previously preparedness activities have mainly come from humanitarian budgets and were delivered by humanitarian actors. In the past this approach was constrained by humanitarian planning practices which were restricted to 12 month cycles. A fundamental component for preparedness and DRR activities is the capacity for long-term planning – in terms of both strategy and investment. This aspect makes the institutional set-up of the Consortium essential, with a mix of both long- and short-term actors. Successful emergency preparedness approaches and funding need to run beyond 12 months and require multi-annual funding with long-term investment and commitment.

#### Engagement with IFIs

A notable success of the Consortium, in attempting to overcome development and humanitarian silos, has been the engagement with development agencies such as the IFIs. The Ministry of Finance played a key role in getting the IFIs on board.

#### Strong leadership with support at senior level

The Consortium has had strong leadership and political buy-in at a senior level which has helped raise the profile and visibility of risk reduction needs in Nepal. Preparedness and DRR are often regarded as sub-sectors and are fragmented across programmes. The Consortium has raised awareness about DRR issues in Nepal, especially amongst members of the Government, who may not have had much exposure to it in the past. The Government of Nepal leads the Consortium and actively endorses it; without its involvement, the Consortium would lack the national ownership

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required for long-term sustainability. A crucial factor in engaging the IFIs was gaining support from the Ministry of Finance. The role of the UN OCHA's Resident Coordinator has also been critical in pushing priorities and driving the process, as has public support from Margareta Wahlström, the Special Representative of the Secretary-General (SRSG) for DRR.

## **Holistic approach**

In order to ensure that adequate national frameworks and legislation support activities on the ground, the Consortium combines the development of DRR policy with the implementation of projects. Furthermore it seeks to prevent new risks from occurring as well as mitigating the effects of known risks.

## **Challenges**

### **Balancing humanitarian and development approaches, planning and financing**

The bridging of the humanitarian and development divide attempted by the Consortium brings with it its own challenges. Getting the right balance between humanitarian and development perspectives and partners is a key issue. Whilst long-term planning, or the lack thereof, can be a problem within the humanitarian system, humanitarian financing is often delivered quickly. In contrast, within the development system there is less urgency, and in some cases development funding can take up to a year to be approved. With this in mind, preparedness approaches need to include long-term planning and financing with the same sense of short-term humanitarian urgency - it is a challenge to get the balance right.

### **Building a strong evidence base**

One of the main challenges facing the Consortium and preparedness activities in general is building an evidence base which demonstrates value for money in these types of investments. Measuring the success of DRR and preparedness activities is problematic - tracking progress and proving that US\$*x* million investment in preparedness in Nepal has made it more resilient in the past ten years is difficult. This might explain why there was initial reluctance amongst donors to invest in the Consortium, because there are no quick visible results and often the results and benefits are difficult to quantify. The current focus of the Consortium is on implementation rather than fundraising as it does not want to generate too much income without the capacity to implement and the evidence of outcomes. The Consortium needs to find the right balance between project implementation, investment in future fundraising and building an evidence base.

### **Regional buy-in and inclusion**

A number of OECD DAC government donors support the Consortium, however there seems to be limited involvement and engagement with key regional players such as India and China. Outreach with India might prove significant, especially in emergency response planning; it neighbours Nepal and it would probably be the first to respond internationally. India also has previous experience of responding to disasters domestically. The incidence of an earthquake that hit the Himalayan region on 18 September 2011, affecting India, Nepal and Tibet demonstrates the importance of regional coordination in preparedness and DRR strategies, planning, activities and funding.



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## Government leadership

As previously mentioned the priorities of the Consortium were based upon the National Strategy for Disaster Risk Management (NSDRM) and the NRRC continues to work with the Government of Nepal and relevant ministries to further these priorities. Despite high turnover within the Government and ministries there has been a consistently high level of cooperation and responsiveness. The multiple challenges facing a state such as Nepal in a post-conflict phase can make keeping comprehensive risk management near the top of the agenda a challenge in itself. One consequence of this is that the legislation approving the new National Disaster Management Authority (NDMA) is still to be passed, despite the fact that the Cabinet approved it in 2009. As some of the more structural elements of the NRRC work plan depend on the passing of this legislation, this is a critical issue. Nevertheless, it is clear that within a range of ministries, including the Ministry of Finance and the National Planning Commission, DRR has a higher profile and is more clearly embedded in planning than ever before.

## Information sharing

Key to the purpose of the Consortium is to improve coordination and communication and whilst it is set up in such a way that allows core sponsors to take responsibility and ownership for individual flagship areas, this in itself could create silos. For example, the structure of flagship areas means that some donors and agencies are not clear about what other flagship areas are doing. In addition, some flagship areas are better organised, led and funded than others. Furthermore, reporting seems to be sporadic across the Consortium. Each flagship area should produce quarterly project information updates, but this is done on a voluntary basis and is not consistent. It is currently difficult to assess how much money has been committed by each donor to each flagship area. There is limited information sharing amongst agencies as well as publically available funding documents. Whilst the Consortium is still in its infancy and information sharing needs to be improved, as of July 2011 DFID is resourcing the Consortium Secretariat which will enable greater capacity to coordinate information sharing.

## Pooled funds and the Consortium

A pooled funding mechanism, in which donors contribute finances to one single fund, has not yet been set up for the Nepal Consortium. There have been initial discussions but a deliberate decision has been taken not to develop one at present because the Consortium is still in its early stages. Establishing a fund prematurely could be detrimental and could put additional pressure on absorption and capacity. Although a pooled fund can be extremely complicated it does have a number of advantages and is a useful tool for coordinating and encouraging donor contributions, especially from those donors that do not have representation in country. A pooled fund could make the administration of funding more simple and a single mechanism approach could enable better reporting and identify gaps. It could give some donors more flexibility in providing funding to the Consortium without being directly involved in it.

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## Conclusion

It is in no doubt that Nepal is at great risk to a wide range of natural hazards and that a powerful earthquake could devastate the country at any time. Floods similar to the Indus in 2010 and Bangkok in 2011 are likely to happen in any year. Despite this, funding to DRR and preparedness has been minimal and has not matched the needs of the country.

However, the Government of Nepal has understood, despite the capacity challenges, the level of risk posed and has gone some way to addressing these risks through the formulation of plans and strategies that apply to all levels. Nevertheless, the passing of the new National Disaster Management legislation is key in strengthening the momentum towards achieving a disaster resilient Nepal.

The Nepal Risk Reduction Consortium represents an important development in the disaster risk management of the country. It has enabled the establishment of a coordinated approach to areas of DRR that have been prioritised based on risk assessments, and brings together humanitarian and development actors, essential for a long-term approach. The engagement of the Government is another essential factor that allows for national ownership and sustainability.

Yet it is too early to state whether it has been a success or not as a model to secure increased funding to preparedness. The flagship areas are progressing at different stages and those with a clear work plan and set of targets have been able to progress faster than others, with the help of financial support from donors and commitment from partners. Donors have only started to engage with the Consortium this year and implementation is just beginning. Tracking of information related to the Consortium is also an obstacle to effective coordination.

The development of a clear framework for action at a national level has helped coordinate all stakeholders involved and provide them with actionable targets. This model could be adopted by other countries but it is important to recognise that it has been developed to suit the particular characteristics of a country that is exposed to a multitude of risks and remains fragile following years of conflict. Any framework must adapt to the context of the country in question.

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## People who participated in the study

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Development Initiatives is a group of people committed to eliminating poverty.

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