

Box F.1: Objectives of Bank Lending

The study analyzed the objectives of all the loans that had disaster-related objectives to identify the most common project aims and to see whether the amount of time projects took to disburse and to implement had a close relationship with objectives or activities. (There is a very close relationship between the nature of objectives, the activities undertaken, and implementation time. A Background Paper on this topic is available upon request.)

Project objectives addressing natural disasters fell into 11 categories: (1) disaster management; (2) rehabilitation and construction of public infrastructure; (3) agriculture improvements, environmental conservation, and natural resource management;

(4) economic restoration and strengthening; (5) pre-event disaster prevention; (6) rehabilitation and construction of housing; (7) emergency financial assistance to affected groups; (8) project management; (9) operation and maintenance; (10) donor coordination; and (11) resettlement of affected populations.

Public infrastructure and disaster management were the two most frequently pursued disaster objectives, occurring in almost 50 percent of the projects. When these are combined with the next two most frequently occurring objectives (agricultural and environmental works, and economic restoration/strengthening), approximately 80 percent of all completed disaster projects were represented.

Figure F.1: Frequency of Disaster Activity Categories: 1984–2005

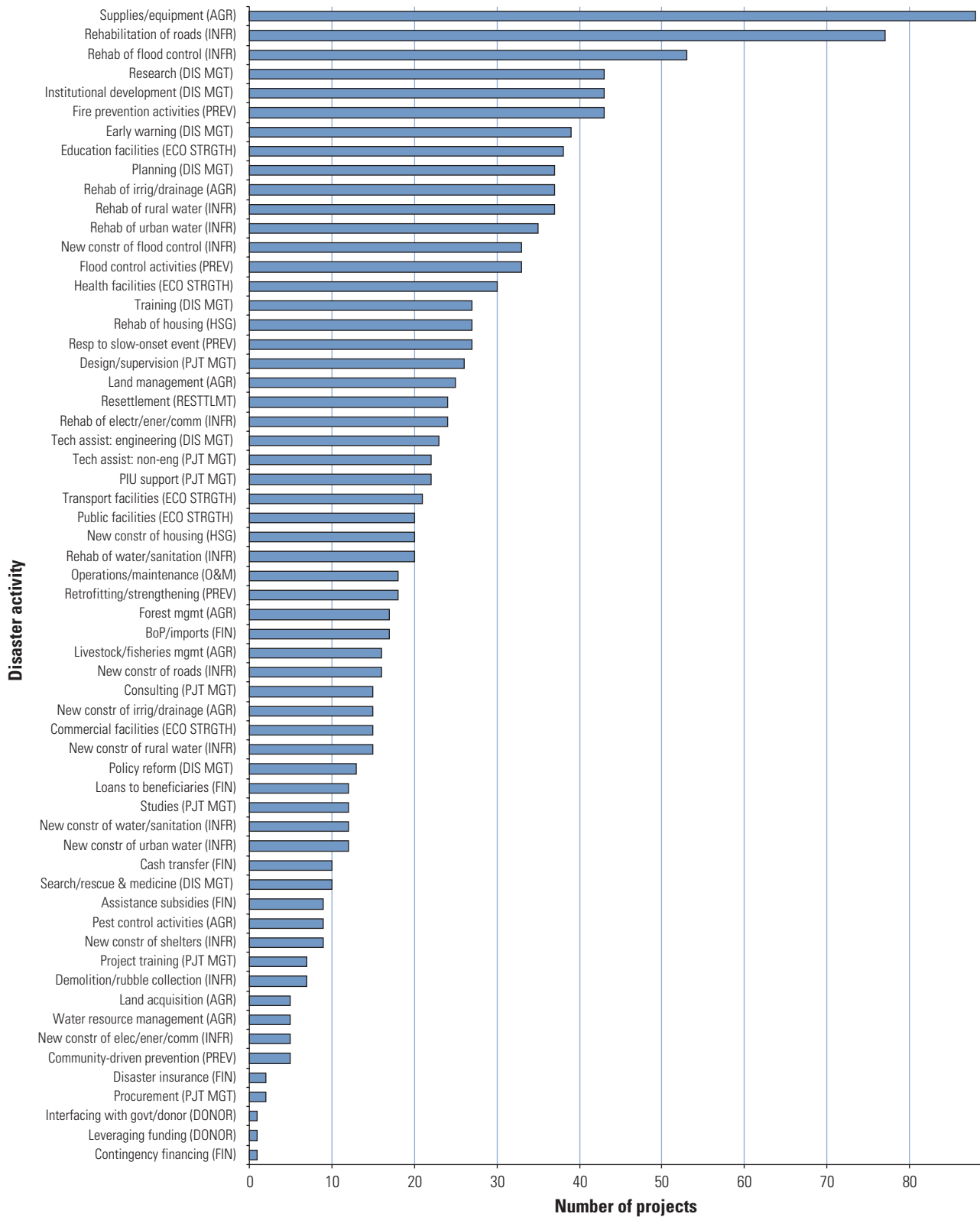


Figure F.2: Frequency of Disaster Objective Categories: 1984–2005

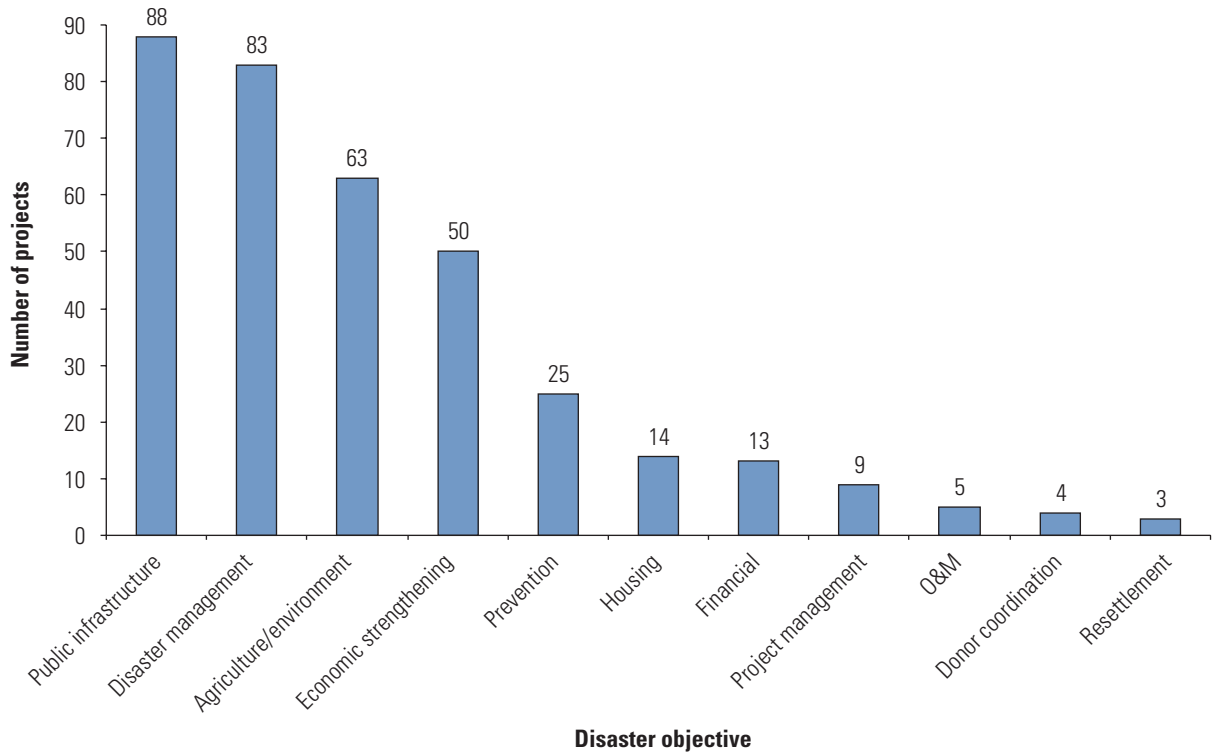
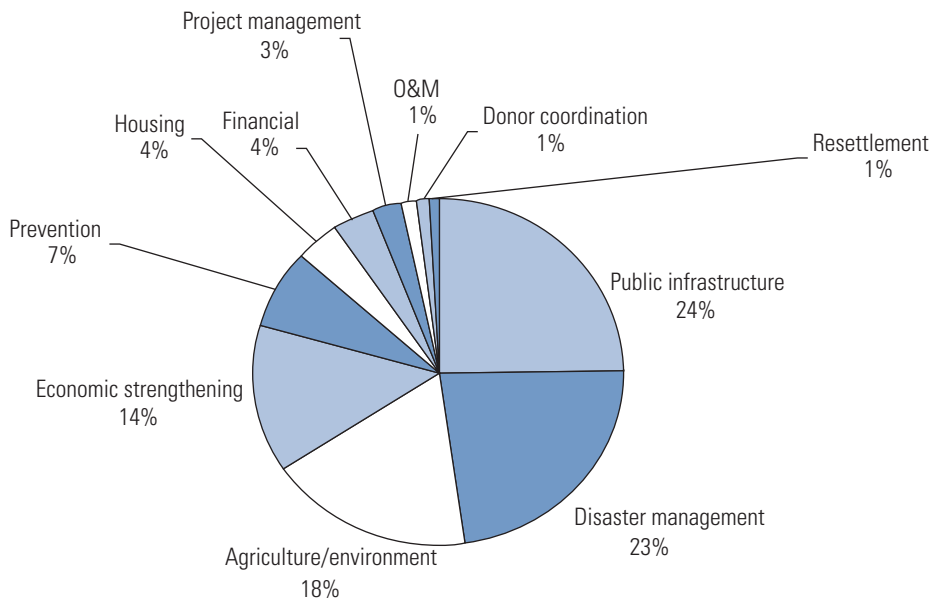
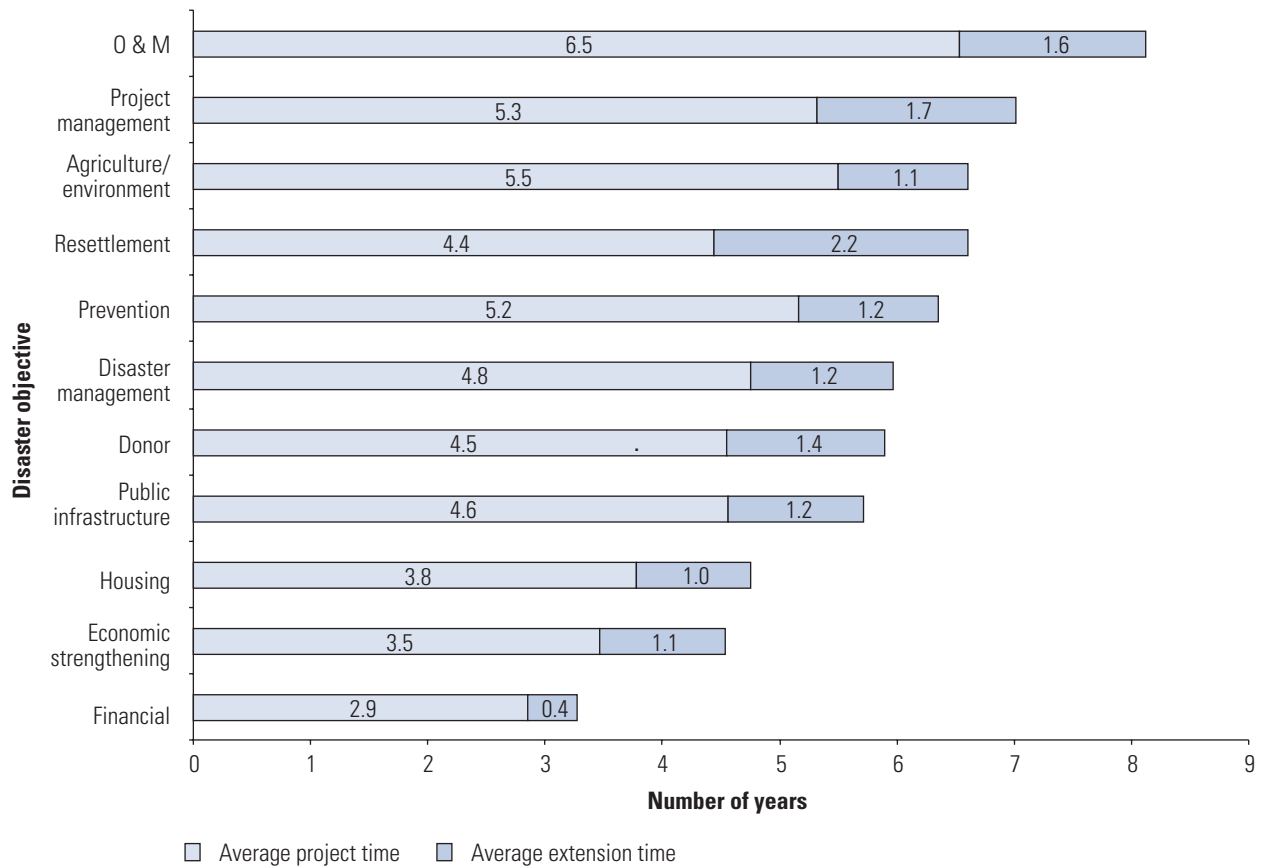


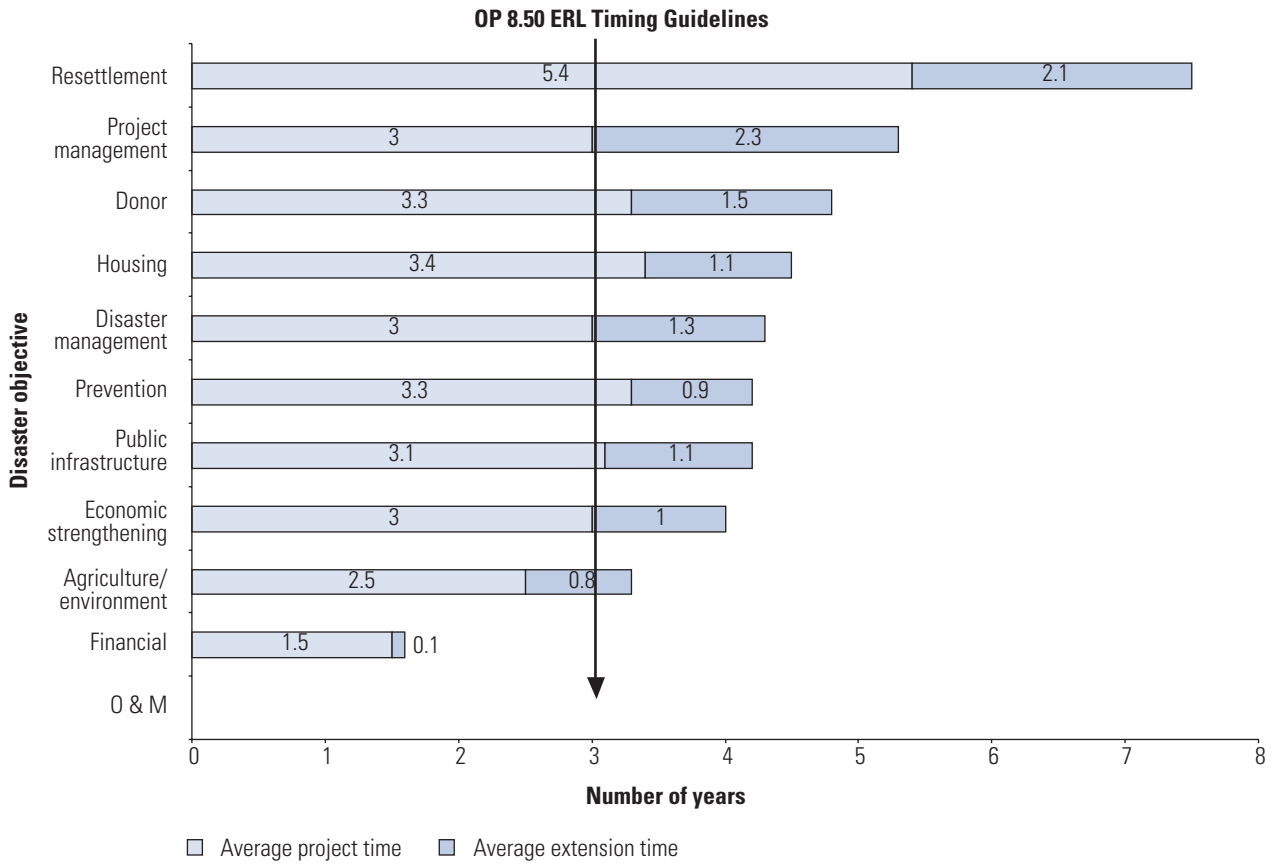
Figure F.3: Distribution of Disaster Objective Categories among All Completed Projects: 1984–2005



**Figure F.4: Average Implementation and Extension Time by Disaster Objective Category—
All Projects, 1984–2005**



**Figure F.5: Average Implementation and Extension Time by Disaster Objective Category—
ERL Projects, 1984–2005^a**

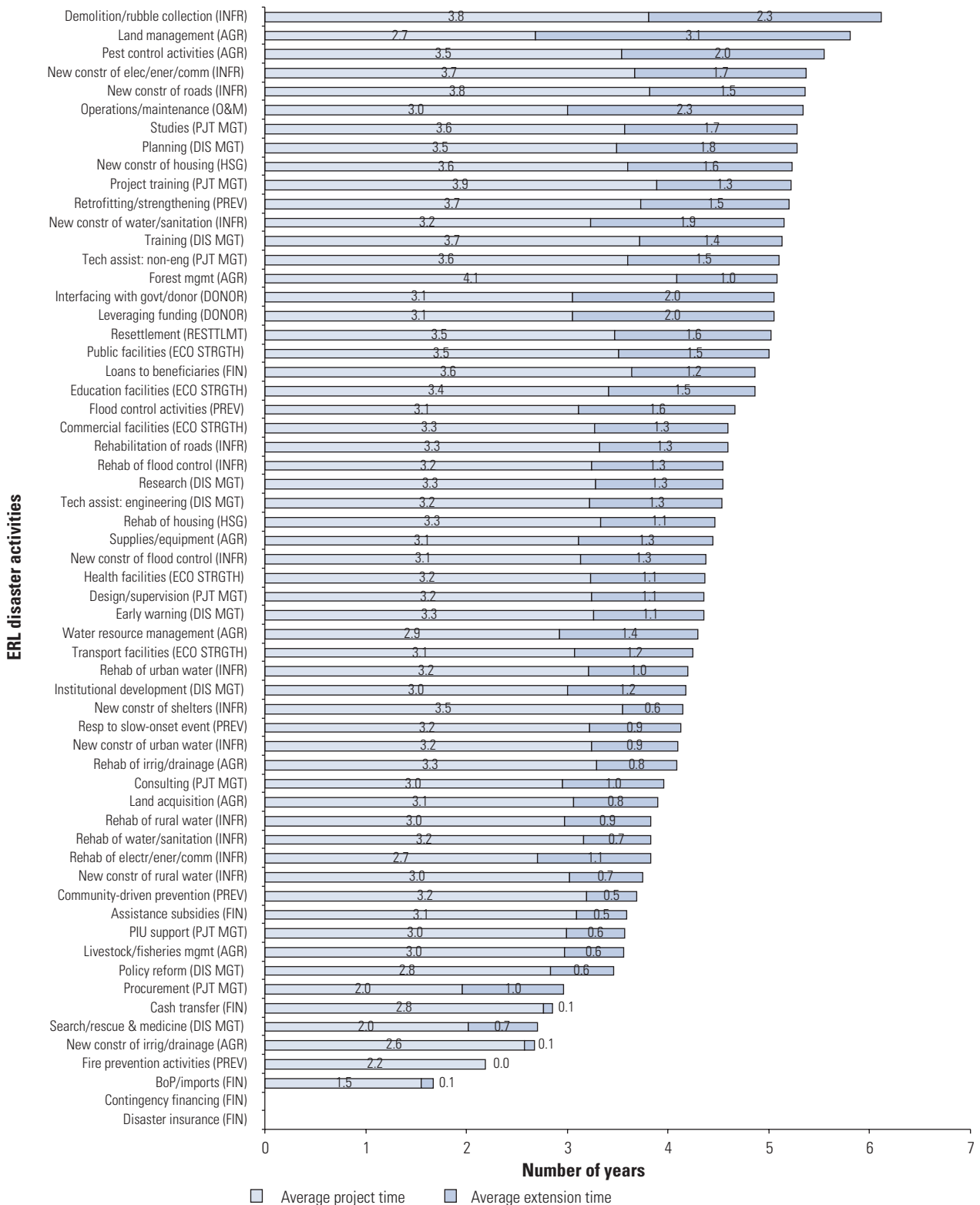


a. Last year figures were available.

Table F.1: List of Disaster Activities

(2) Pre-disaster prevention	(7) Resettlement
201 Retrofitting/strengthening of existing/undamaged (private/public) infrastructure	701 Resettlement
202 Responding to indications of coming slow-onset event	(8) Disaster management
203 Flood control activities and structures (pre-event)	801 Early warning/public awareness
204 Fire prevention activities and structures (pre-event)	802 Institutional development/strengthening (disaster-specific)
205 Community-driven disaster prevention activities (pre-event)	803 Emergency search, rescue, and medical assistance
(3) Public infrastructure	804 Training (disaster-specific)
301 Rehabilitation of road infrastructure	805 Legal and policy reform
302 Rehabilitation of (rural) water systems infrastructure	806 Studies and research
303 Rehabilitation of (urban) water systems infrastructure	807 TA: Engineering
304 Rehabilitation of (urban) water/sanitation infrastructure	808 Planning
305 Rehabilitation of electricity/energy/telecommunications systems	(9) Project management
306 Rehabilitation of flood control structures	901 Support for PIU
307 Demolition and rubble collection	902 Procurement
308 Rehabilitation of shelters	903 Training
309 New construction of road infrastructure	904 Design and supervision
310 New construction of (rural) water systems infrastructure	905 Consulting
311 New construction of (urban) water systems infrastructure	906 Studies and research
312 New construction of (urban) water/sanitation infrastructure	907 TA: Non-engineering
313 New construction of electricity/energy/telecommunications systems	(10) Financial assistance
314 New construction of flood control structures	1001 Insurance
315 New construction of shelters	1002 Contingency finance
(4) Housing	1003 Balance of payment/import finance
401 Rehabilitation of housing	1004 Cash transfer
402 New construction of housing	1005 Assistance subsidies to beneficiaries
(5) Economic restoration	1006 Loans to beneficiaries
501 Commercial facilities	(11) Operations & maintenance
502 Public facilities	1101 Operations and maintenance
503 Health facilities	(12) Donor coordination
504 Transport facilities	1201 Leveraging additional funds
505 Education facilities	1202 Interfacing between government and donors
(6) Agriculture/environment	
601 Livestock/fisheries management	
602 Water resource management	
603 Land acquisition	
604 Land management	
605 Forest management	
606 Equipment and supplies acquisition	
607 Rehabilitation of irrigation/drainage infrastructure	
608 New construction of irrigation/drainage infrastructure	
609 Pest control	

Figure F.6: Average Implementation and Extension Times for Projects Containing Disaster Activities: Emergency Recovery Loans



Note: Each bar represents the average actual implementation time of all projects that included a given activity.

Figure F.7: Average Implementation Time and Number of Completed Projects by Disaster Component: 1984–2005 (Part 1 of 2)

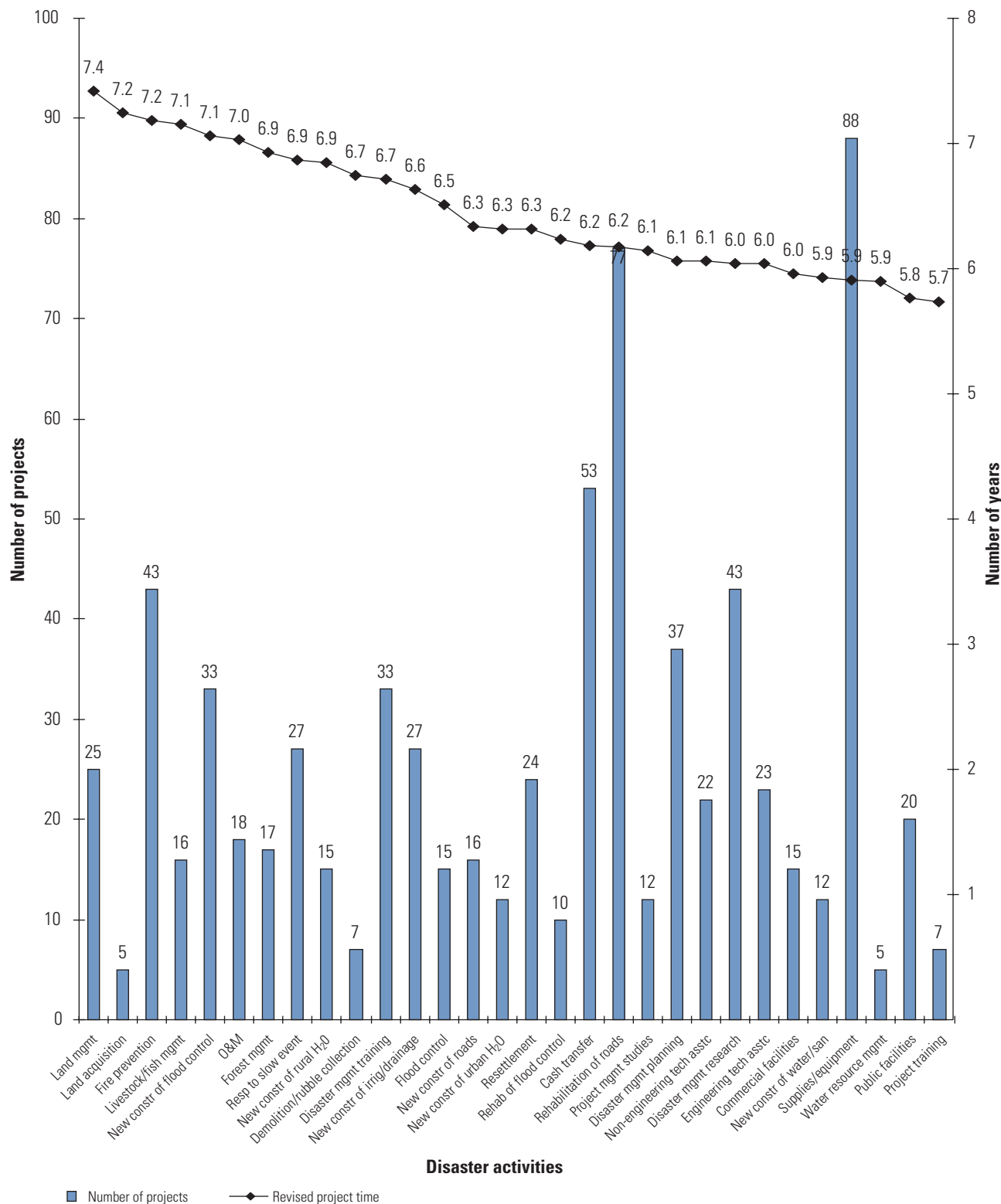


Figure F.8: Average Implementation Time and Number of Completed Projects by Disaster Component: 1984–2005 (Part 2 of 2)

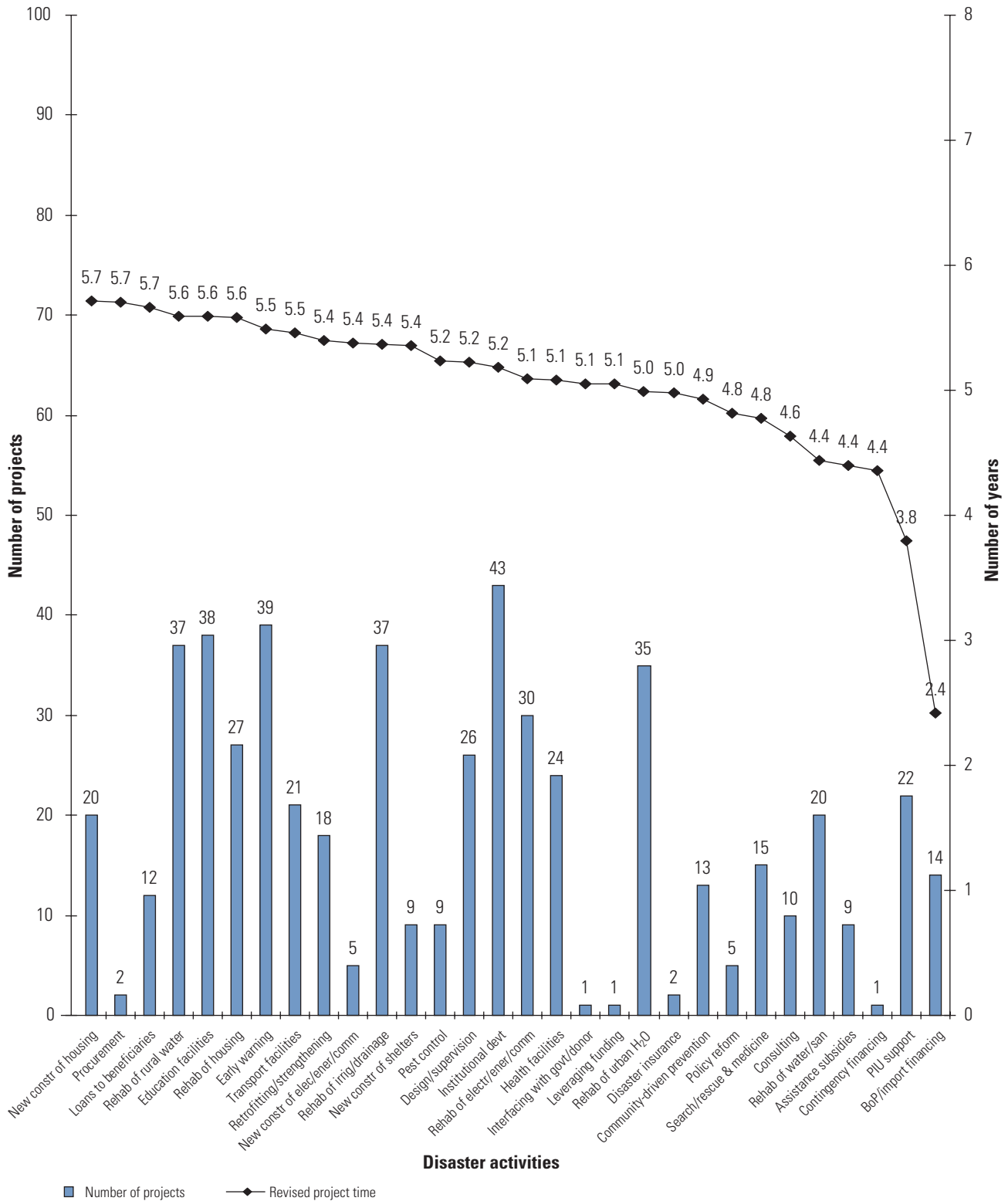


Table F.2: Implementation of Hazard Reduction/Mitigation Components in 197 World Bank–Assisted Disaster Projects

Component	Times implemented
Maintenance	124
Construction to higher design standards and/or to protect from future hazards	123
Research, studies, policy changes including building codes	109
Training	89
Institution building for disaster and hazard management	73
Community participation in mitigation activities and disaster preparedness	67
Water supply / watershed management	61
Relocation and resettlement	44
Quality assurance and monitoring in construction	44
Early warning, forecasting, and seismic monitoring systems	41
Hazard mitigation and preparedness plan	38
Tree plantation and Vetiver plantation for slope stabilization	35
Forest management/fire protection	34
Agricultural inputs/drought-resistant crops	26
Risk and vulnerability assessment and monitoring	24
Communication equipment	24
Soil improvement/arresting land degradation	22
Employment/income creation	19
Drought management	19
Public information / awareness campaign	18
Pest management	16
Fire breaks	14
Shelter repair and construction	9
Fire tower	8
Insurance	5
Demonstration houses	2
Noncompletion of one or more mitigation components = 80	

Table F.3: Projects Involving Financing Mechanisms

Country	Project name	Approval fiscal year	Disaster-related component	Status
1. Dominica	Emergency Recovery and Disaster Management Project (P069633)	1999	Insurance for public buildings	Subcomponent cancelled
2. Morocco	National Rural Finance (P005486)	1994	The use of the National Guarantee Fund as a drought insurance mechanism.	“The establishment of a Climatic Risk Insurance Fund, . . . never materialized.” (ICR)
3. Tunisia	National Rural Finance (P005720)	1995	Drought insurance mechanism ^a	Unclear if ever happened from project documents.
4. OECS	OECS Emergency Recovery and Disaster Management Project covering St. Kitts & Nevis, St. Lucia, Dominica, Grenada, and St. Vincent & the Grenadines (P062668)	1998	Financing lending operations in each of the five mentioned countries with the objects of fortifying or reconstructing and rehabilitating key economic and social infrastructure and facilities and strengthening the countries’ institutional capacities to prepare for and respond to disaster emergencies.	The floating 4th phase of this APL provides for contingency financing to Grenada, St. Kitts and Nevis, St. Lucia, Dominica, and St. Vincent and the Grenadines in the event of a disaster. This project was ultimately unbundled into separate country projects. The floating phase 4 has been used by Grenada in response to Hurricane Ivan (see below).
	Grenada (4APL) Hurricane Ivan Emerg. Rec. (P092692)	2004	Contingency financing (floating phase 4 of the APL) ^b	(Connected to above OECS project) ongoing
5. St. Lucia	Emergency Recovery and Disaster Management Project (P070430)	1999	Increase government access to insurance	“Little was done to increase the government’s access to insurance under the project, other than the preparation of an inventory of public buildings” (PPAR).
6. Turkey	Emergency Earthquake Recovery (P068394)	2000	Catastrophic insurance pool	TCIP, ongoing
7. India	Gujarat Emergency Earthquake Reconstruction Project (P074018)	2002	The component funded TA to assist in the building of the Gujarat Disaster Insurance Program. Premiums were taken from the money received by beneficiaries for rebuilding.	Ongoing micro insurance scheme provided. Compulsory for housing recipients. For a house of 2,500, insurance for 10 years was \$10. The government has taken up insurance for schools and roads. The government also wants to include other buildings (not damaged) in insurance scheme.
8. OECS	(P070658) Only PID	2002	Insurance for the Caribbean region. ^c (insurance regulatory strengthening, catastrophe funding and risk pooling mechanisms, and risk management and mitigation to manage low income communities’ exposures.)	Dropped

(Table continues on the following page.)

Table F.3: Projects Involving Financing Mechanisms (continued)

Country	Project name	Approval fiscal year	Disaster-related component	Status
9. Colombia	Disaster Vulnerability Reduction (P082429)	2005	<p>TA (\$124,000)</p> <p>Risk Assessment using a model for EQ and flood—average annual loss and probable maximum loss. \$150 million contingent financing^d facility to act as a bridging facility until resources from other MFIs and international agencies become available.</p> <p>PAD: “The contingent facility can play a useful role in closing the gap between high frequency, but low severity, events covered with annual government appropriation and budget reallocations and low frequency, but high severity events, for which all other resources would be exhausted. As explained below, the contingent facility is also well suited to cover large, but not major, losses caused by multiple sources of risks which cannot be captured by a single parameter, as required by parametric (earthquake) insurance.”</p> <p>“the contingent facility is also well suited to cover large, but not major, losses caused by multiple sources of risks which cannot be captured by a single parameter, as required by parametric (earthquake) insurance.”</p>	Ongoing
10. Vietnam	Natural Disasters Mitigation Project (P073361)	2005	<p>“Contingency budget for disaster”</p> <p>“rapid disbursement facility”</p> <p>“contingency funding mechanism,”</p> <p>PAD: “The option of a ‘Contingency Funding Facility’ providing readily available budgetary support was explored. However, this option was rejected by the Government because it would incur costs (interest or commitment charges) and only cover low-frequency hazards, which</p>	Ongoing

Table F.3: Projects Involving Financing Mechanisms (continued)

Country	Project name	Approval fiscal year	Disaster-related component	Status
			might not happen during the project's lifespan. Instead, agreement was reached on the idea to develop a <i>rapid disbursement facility</i> which might also apply to lower-level localized disasters, utilizing to the extent possible the existing country system for post-disaster reconstruction and, at the same time, paving the way for future direct support to the Government's budgetary system through an integrated institutional strengthening program."	
Other: Mauritius	Port Development and Environmental Protection (P001926)	1995	Project-built cranes were insured. ^e	Mention of insurance was made in the SAR, in that it was one of the operational parameters used for economic evaluation of the project. Because of the damage caused by two cyclones, particularly the Cyclone Daniella, the contractor had to get the compensation from the insurer which did not cover all the costs. (ICR)

Note: OECS = Organization of Eastern Caribbean States.

a. "Although the use of the *Fonds National de Garantie* (National Guarantee Fund) as a drought insurance mechanism did partially address a systemic risk in agricultural financing in Tunisia, in the medium term, BNA was not able to implement its Action Plan successfully without a firm commitment from the GoT to give BNA autonomy in its loan portfolio management decisions. This issue had a significant impact on BNA's ability to implement the project and should have been resolved during project preparation." (ICR)

b. "The financing consists of 50 percent IBRD funding, and 50 percent IDA credit. Given Grenada's current fiscal constraints, it is proposed that the Bank finance 100 percent of the project's expenditures. Up to 20% of total project funds may be allocated toward retroactive financing for activities procured after September 7, 2004." (MOP)

c. "The project aims to put in place comprehensive country and sub-regional risk management ex ante funding strategies to reduce fiscal, economic, and financial instability in the wake of natural disasters, which occur due to resource dislocations and budgetary outlays traditionally required for reconstruction of uninsured and uninsurable public and private assets. The project also aims to strengthen the domestic insurance industries and their arrangements with the international reinsurance and credit markets, to augment the capacity of domestic insurance markets to manage and transfer large risk exposures, while building up the requisite reserves to pre-fund and insure against future natural disasters." (PID)

d. Front-end fee, plus annual commitment fee. "The contingent facility is also well suited to cover large, but not major, losses caused by multiple sources of risks which cannot be captured by a single parameter, as required by parametric (EQ) insurance." PAD 104. 2-3 year return period: reserve funds (recurrent risks) (\$15 million). 10-20 year return period: WB financed contingent facility (\$150 million); 30-200 year return period: parametric insurance coverage (EQ risk).

e. Not clear if the insurance was funded by the project.