



INDEPENDENT EVALUATION GROUP

## **Natural Disasters Are Increasing So Must the World Bank's Prevention Efforts**

### **New Evaluation Report Calls for a Paradigm Shift in Addressing Disasters**

**Washington, DC, April 21** -- A new report, "Hazards of Nature, Risks to Development," released today by the World Bank's Independent Evaluation Group (IEG), calls for new thinking that integrates predictable disaster risks into development programs. The report concludes that it is possible to anticipate where many natural disasters will strike, yet expresses concerns that the World Bank's disaster assistance efforts are underutilizing these vital lifesaving forecasts.

Natural disasters destroyed \$652 billion in property worldwide in the 1990s alone – an amount 15 times higher in real terms compared to the 1950s. Approximately 2.6 billion people were affected by natural disasters over the past ten years, compared to 1.6 billion the previous decade. Developing countries have borne the brunt of these catastrophes, accounting for over 95 percent of all casualties.

"Losses from natural disasters have averaged nearly 15 percent of the GDP in the world's poorest countries in the past two decades – a time during which more than 4 billion people in the world were directly affected," said Vinod Thomas, Director-General of the World Bank's Independent Evaluation Group, "More can and must be done to anticipate, adjust and act in confronting the incidence of disasters and their risk to development."

The report is the first ever assessment of World Bank assistance for natural disasters, and one of the most comprehensive reviews of disaster preparedness and response ever conducted. The evaluation was carried out by the Independent Evaluation Group (IEG), an autonomous body reporting directly to the Board of Executive Directors of the World Bank Group to assess the effectiveness of the Bank's development efforts.

The World Bank is the largest funding agency of disaster recovery and reconstruction in developing countries. Since 1984, the Bank has financed over 500 projects that addressed natural disasters, providing more than \$26 billion in lending or nearly 10 percent of World Bank financing during that period. Over 80 percent of Bank disaster financing has addressed floods, earthquakes and fires.

The report found that the Bank's disaster projects performed better than the Bank's portfolio as a whole. When disasters struck, the Bank demonstrated flexibility in managing small and large scale disaster responses, and coordinated with other donors to ensure rapid assistance.

Within disaster projects, the Bank did better at reconstructing damaged infrastructure and housing than it did in reducing vulnerabilities and addressing their root causes. Moreover, in almost half of the countries where the Bank was later called on to finance disaster reconstruction projects, disaster prevention did not play any role in the overall development

strategy for the country. The report urges that disaster risk be built into development planning from the start.

“How often do we need to be shaken before we are stirred to take bolder preventive measures?” said Ajay Chhibber, Director of the IEG, who has been directly involved in many of Turkey’s earthquake relief efforts. “The Bank must convince countries to be more proactive and less reactive to disasters and build risk mitigation into development strategies.”

This failure of anticipation and the lack of preparedness have major consequences in known hotspots when natural disasters strike. For example, in Mozambique, Bank lending financed the construction of 487 schools over a 20-year period. But the floods of the year 2000 damaged or destroyed nearly the same number. Of the nearly 10,000 kilometers of roads in Honduras, over 13 percent were constructed with Bank financing. But when Hurricane Mitch struck in 1998, 6,000 kilometers of these roads were destroyed. Thus, new resources are too often being used to rebuild previously completed projects.

In order to reduce these reoccurring losses, the report urges the World Bank to apply a number of lessons and to adopt new approaches both for disaster preparedness and for response. Three crucial lessons for prevention and mitigation are:

First, more actively involve vulnerable communities in disaster prone areas in planning and preparation as well as in rebuilding during preparation and rebuilding. Such participation rarely occurs, and yet direct community involvement can improve planning, strengthen ownership of projects, preserve existing social relationships and help families and neighborhoods stay intact.

Second, ensure systematic maintenance of essential infrastructure in disaster prone areas, such as levees and flood control gates, to help protect vulnerable populations from future catastrophes. Temporary shelter is rarely temporary and must be built solidly enough to withstand predictable subsequent disasters.

Third, new approaches to finance the cost and prevention of disasters are needed regionally and globally including better use of insurance mechanisms.

Natural hazards will continue to occur. However, if the Bank, the development community and the countries implement these recommended measures, their destructive impact can be reduced dramatically.

“Nature creates hazards, but the actions or inactions of people, societies and governments create disasters,” said Ronald S. Parker, lead author of the report. “We’ll know that the new approach we are proposing has taken hold once we see more community involvement, disaster resistant infrastructure and maintenance, and quicker disbursements of funding.”

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To download the report or order hardcopies, please visit  
<http://www.worldbank.org/ieg/naturaldisasters>

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