

**INVESTING IN PREVENTION : LEARNING THE LESSONS FROM HURRICANE
MITCH**

My name is Christian Bugnion. I am an economist, I have worked for the past twelve years in humanitarian aid, disaster prevention and preparedness and development. I have spent most of the time on the ground working in several countries both in Africa and Latin America, with a wide range of organisations and contexts (both natural and man-made disasters). My past employers include among others ICRC, IFRC, UNDP/WFP, UNHCR, ECHO, CRED (Center for Research on the Epidemiology of Disasters), ICEI (Instituto Complutense de Estudios Internacionales). I work as an independent consultant since 1994. This brief introduction is meant to indicate that I am not here representing any specific organisation or interests. The reason for my being here is to attempt to contribute to improved practices in disaster reduction, and particularly in the field of prevention. I will start by what is seemingly a more theoretical framework, and move towards a much more practical vision of things. I will finalise this presentation by making an appeal to all participants so that if the suggestions and recommendations made in this presentation are approved they be translated into facts as soon as possible.

The Decade is now coming to an end. While much has been done, there remains much to do. Disaster prevention and preparedness has emerged in most countries from a marginal into a valuable and recognised activity. But there is, to my knowledge, no donor or government having taken as of yet the bold step of allocating a fixed percentage of its budget to prevention and preparedness activities. And yet "disaster research has demonstrated that increasing hazard and vulnerability patterns are clearly related to flawed non-sustainable forms of development"¹. In 1994, the United Nations were speaking of the urgent need to "balance emergency aid and development aid".² Although these comments were meant for conflict situations, a similar concern must be adopted for large scale disasters the size of Mitch. That is to say that disaster reduction must be adequately placed in the string of the equation which leads to equanimous human development for all.

To show and convince donors and governments, as well as all of civil society, of the usefulness of prevention and preparedness activities, disaster reduction must be seen alongside emergency and development aid. Disaster prevention, emergency aid and development are different sides of the same coin. This means that costs of disaster reduction should be analysed in comparison to the costs of emergency and development aid. This has not been the case up to now. If we take the 1991 ECLAC manual for evaluating socio-economic effects of natural disasters, one finds that evaluations aim at giving the direct and indirect damages, and the repercussion of the same in macro-economic aggregates (or secondary effects).³ In ECLAC's own

¹ Miami Declaration on Disaster Reduction and Sustainable Development, Florida Int. University, Florida, 2 October 1996, paragraph 2.

² UNDP, Human Development Report 1994, p. 84, French version.

³ CEPAL, Manual, primera parte, punto III.

words, the focus of the manual is to serve as a fundamental tool “para la adopción de decisiones acerca de la orientación y prioridades de los planes y programas de rehabilitación y desarrollo” ⁴ So there is no specific methodology for analysing emergency costs alongside rehabilitation and development costs, since evaluations are essentially focusing on a macro perspective - rather than using a meso-analytical perspective. This is understandable if the main usefulness of evaluation is to obtain funding for rehabilitation and reconstruction. But socio-economic evaluations can be used and should be used for other purposes as well

Since the 1991 manual, the structure of disaster assistance has changed. While in most cases actors used to intervene with a very limited and targeted focus, assistance is increasingly following an integrated approach. Integrated is here meant not only as multisectoral, but also as holistic, in the sense that interventions are not limited to a specific phase, and NGOs and agencies are increasingly becoming involved in all activities from emergency to development. The need for an integrated approach has been highlighted by the recently completed SPHERE project, which presents the Humanitarian Charter and Minimum Standards for Disaster Response. Most of you are probably already familiar with SPHERE given the very broad international inter-agency collaboration it has received. The interdependent nature of the various factors surrounding disaster management makes a comprehensive evaluation necessary.

HURRICANE MITCH : AN EXAMPLE

ECLAC evaluations of November 1998 in the Mitch affected countries include a list of project proposals. While these evaluations are designed as a tool for rehabilitation and reconstruction planning, two essential comments need to be made regarding the project proposals .

- 1) the sectors of activity. Alongside education, we find a sector labelled “emergency”. There should be a standard format for the so-called sectors of activity. If as mentioned the sectoral evaluations should lead to macro-economic aggregates, then the sectors should correspond to those of the national economy accounts.
- 2) In the field of prevention (which appears under the heading of “technical assistance”), a lumpsum of usd. 1million is allocated for specific studies in each of the countries visited
 - In the case of El Salvador the total of projects identified amounts to usd. 237.4 million. The percentage thus allocated to prevention issues is 0.42% of the total
 - In the case of Honduras total of projects is usd. 2,100 6 millions. The percentage allocated to prevention is 0.048% of the total.
 - In Guatemala, total of projects is usd 623 5 millions, with a percentage of 0 16%.
 - I don't have the Nicaragua evaluation which reportedly took longer to be accepted by the government

ECLAC mentions in the project description for prevention that “en el pasado no se destinaban mayores inversiones a la prevención de dichas adversidades el escenario actual es claramente diferente, puesto que, por ejemplo, los huracanes se repiten con frecuencia.. . De esta manera se estima conveniente y oportuno destinar esfuerzos y recursos al estudio formal y exhaustivo de esta compleja temática para extraer conclusiones que fundamenten las políticas al respecto”.

⁴ Ibid.. primera parte, punto II. Consideraciones metodologicas generales

For this to be true one must recognise the interdependent nature of the various types of activities. Sound and efficient prevention and preparedness activities are able not only to curb the extent of human and material damages but also to reduce the costs of emergency assistance, rehabilitation, reconstruction and development. If prevention is really better and cheaper than cure, this relation must be demonstrated in specific studies. If there is a causality between the amounts spent on disaster reduction and those needed for emergency, rehabilitation, reconstruction and development, this relation must be explicit.

Once this relation has been shown a clear policy commitment toward disaster reduction must be made. The current proposal calls for not a lumpsum but for a **percentage** to be allocated for prevention and preparedness activities. In the case of donors and governments, this percentage should be calculated on the basis of their ODA budgets.

In the case of national governments in disaster-prone countries, this implies allocating a similar percentage of their social budgets for disaster reduction through financing a series of appropriate measures (always context specific).

A clear undertaking to support prevention activities requires a greater commitment than the percentages allocated to disaster reduction in the former project proposals (ranging from a mere 0.048% to 0.42% of the total according to the countries). The actual percentage remains to be negotiated among donors and governments but it is recommended to be no less than 7% of their respective budgets.

As the Conference on the response to Hurricanes Georges and Mitch held in Santo Domingo in February of this year recalls, "En los países propensos a desastres, los preparativos, la prevención y la mitigación deben convertirse en una forma de vida". And this implies the budgetary resources to implement such a policy.

But how can the relation between prevention and the other activities be demonstrated ? One way is to undertake a thorough evaluation including a look at cost and effectiveness of prevention. Unfortunately, comprehensive evaluations are generally expensive, and donors only accept to fund such evaluations when large scale disasters cause massive destruction. Hurricane Mitch thus offers an ideal opportunity to undertake such an evaluation.

To quote again from the Santo Domingo conference, there remains a blatant need for a comprehensive evaluation, going beyond the sphere of economics into specific issues of disaster management and response. As regards to needs assessment : "Existe una imperiosa necesidad de evaluaciones y métodos científicos en este tema". Regarding damage assessment : "los gobiernos y la sociedad civil, con el apoyo de organismos internacionales y de la CEPAL en particular, deberán trabajar en la revisión y adopción de metodologías unificadas para la evaluación de los daños ...". In regards to coordination : "Se debe realizar una evaluación para identificar los efectos de las actividades mal coordinadas".

So the need for a comprehensive evaluation of Mitch is clear. Whether it is going to be undertaken, and by whom, is another question. Some voices have been raised, such as that of the Swiss Co-operation at the ALNAP meeting last April, who would be willing to co-finance such an evaluation. Unfortunately there seems to be a general lack of interest in (or of understanding for the need of) comprehensive evaluations. Should there be an agreement among donors and agencies for such an evaluation to take place, one of the key elements which needs to be assessed is whether cost reduction for all forms of post disaster assistance is the result of effective prevention programmes.

In other words, what needs to be documented is that if USD 1 million is spent on early warning programmes, the level of casualties and losses attributable to subsequent hurricanes will be reduced. In addition to the benefits in terms of lives saved, effective prevention may significantly cut post-disaster costs and more than proportionately so. While these programmes may be less visible than emergency aid, they are no doubt more desirable from a human and ethical perspective.

A methodology to evaluate this process is certainly difficult but not impossible. And just as important as the methodology itself is the manner in which it must be developed: a broad-based participatory forum comprising all organisations, donors and governments interested in such a theme, in order to identify and agree on a common standard to be used in disaster response. The approach should be similar to that used for the SPHERE project.

CONCLUSION

I thus make the following recommendations:

- 1) that disaster prevention and preparedness analysis be placed into a wider framework, considering its relation with all forms of post-disaster assistance;
- 2) that given the huge amount of losses caused by Mitch, the costs of undertaking a comprehensive evaluation in all Mitch affected countries are more than justified as compared to the usefulness that such an evaluation would bring;
- 3) that special emphasis be placed upon the relation between the effectiveness of prevention activities and the level of human and material losses in all disaster analysis;
- 4) that a broad-based inter-agency collaborative group be created along the SPHERE model (including NGOs and other organisations rather than a UN team only) to determine a standard methodology for evaluating prevention activities;
- 5) that if prevention is shown to reduce more than proportionately post-disaster costs, donors and governments commit themselves to allocating a fixed percentage of their budgets to prevention programmes.

I therefore suggest:

- 1) that a steering committee for undertaking a comprehensive evaluation of Hurricane Mitch be created without delay. It is important that both international and local NGOs participate in the evaluation along with UN agencies and donor representatives.
- 2) that the UN or whatever structure will carry on after the IDNDR creates a country prize to the most effective prevention programme.

Thank you.