

Global Facility for Disaster Reduction and Recovery

Handbook on

The Standby Recovery Financing Facility

*A partnership for accelerated disaster recovery
in high risk countries*



United Nations
International Strategy for Disaster Reduction



THE WORLD BANK

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(Version 1.0)



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The Urgent Need for a Global Disaster Recovery Fund

1

Natural disasters present a growing threat to developing countries that lack financial or material resources to mitigate their risks to catastrophes or recover from the effects. International aid is generously made available once a country is hit by a disaster. But when the humanitarian assistance phase is completed, affected countries have difficulty accessing funds for recovery interventions before longer-term reconstruction and development programs can commence. To bridge this gap, the Global Facility for Disaster Reduction and Recovery (GFDRR)¹ established a global disaster recovery fund—the Standby Recovery Financing Facility (SRFF). The SRFF supports GFDRR’s mandate to serve as the leading partnership under the International Strategy for Disaster Reduction (ISDR) system to reduce vulnerability to disasters in support of the Hyogo Framework for Action.

1.1 *Introducing the SRFF*

The SRFF is a financing mechanism to support disaster preparedness and accelerated disaster recovery in high risk countries, particularly low-income countries. SRFF is structured to fast-track the distribution of predictable and effective disaster recovery resources and catalyze coherent and coordinated international assistance by the UN, World Bank, international financial institutions (IFIs), and other stakeholders to reduce risk and accelerate the transition from relief to development. SRFF’s core principle is to ensure that risk reduction is integrated into the disaster recovery phase, when there is the greatest opportunity to “build back better.” SRFF’s comparative advantages are that it is administered by the World Bank and managed by a partnership between the Bank, UN, major donors, and recipient countries. The Bank is well placed to do so because of its large recovery and reconstruction portfolio and its new policy on rapid responses to crises and emergencies to provide innovative, flexible and speedy financing for effective disaster response. The partnership enhances cooperation and collaboration among all development partners, and ensures that international support and coordination are mobilized appropriately and efficiently in the immediate aftermath of a disaster.

¹ The **Global Facility for Disaster Reduction and Recovery** (GFDRR) is a major initiative of donors, ISDR, the World Bank, and recipient countries designed to boost national, regional and global capacities to reduce disaster risks, particularly in low and middle-income high-risk countries. GFDRR has three tracks of operations to achieve its development objectives at the global, regional and country levels.

Guiding principles of the Standby Recovery Financing Facility

1. Recognize the central role of governments in disaster recovery processes
2. Address the need for better international institutional preparedness among UN, IFIs, donors and other actors
3. Provide incentives to countries with limited fiscal envelopes and low credit-worthiness to invest in disaster prevention
4. Link recovery financing with *ex ante* disaster prevention
5. Encourage development of catastrophic risk financing markets.

Key deliverables of SRFF

1. Establish a global protocol for international recovery operations
2. Develop a global knowledge resource on managing recovery operations
3. Promote a global initiative to build national capacities for recovery planning and implementation
4. Create a readily available global fund (for ex-post pooling of financial resources) for transitional recovery

1.2 How does SRFF work?

The SRFF has two financing mechanisms:

1. The **Technical Assistance (TA) Fund**, which supports technical assistance for disaster recovery planning to strengthen preparedness and contingency planning. The **TA Fund** has three components: Track III-A to strengthen global disaster recovery coordination, Track III-B to strengthen global and regional disaster recovery capacity, and Track III-C to provide country level support for disaster recovery planning.
2. The **Callable Fund**, which is a fund in readiness that is activated when a disaster strikes. Its resources are targeted to support Disaster Recovery and Financing Plans, or similar recovery plans developed by the affected country.

Financial structure of SRFF

Window 1: Technical Assistance for

- Developing a protocol for international recovery operations
- Developing a global knowledge resource on managing recovery operations
- Developing national capacities for recovery planning and implementation

Window 2: Callable Fund

- Fund in readiness, activated when a disaster strikes
- Prior agreements with both donor and beneficiary governments
- Financing/co-financing of disaster recovery
- Joint needs assessments and implementing recommendations led by a government's national recovery group

1.3 How can one apply for SRFf support?

TA Fund financing is made available to the UN, IFIs, regional organizations and national authorities in the Bank's client countries. **Callable Fund** financing depends on activation of the SRFf for specific countries after a disaster. Projects funded through the **Callable Fund** can be implemented by the recipient country, World Bank, UN Agencies, or International Nongovernmental Organizations (NGOs). Applicants for assistance from either trust fund can submit proposals to the GFDRR Secretariat using the Application Form available at www.GFDRR.org.

1.4 How can donors contribute to the SRFf?

To contribute to the **TA Fund**, Donors sign an Administrative Agreement with the World Bank specifying their contribution. To contribute to the **Callable Fund**, Donors sign an Administrative Agreement with the Bank stating that they intend to make a grant following the Call for Funds that is issued after a major disaster occurs. For accounting and reporting purposes, **Callable Funds** are managed separately for each disaster for which the Fund is activated.

SRFF – The Standby Recovery Financing Facility

2

2.1 Background on the GFDRR

The World Bank's Board of Executive Directors approved the FY07 budget of the Development Grant Facility (DGF) on June 27, 2006. Included in this budget is initial support (three years) for the Global Facility for Disaster Reduction and Recovery (GFDRR). This initial DGF funding is complemented by other donors.

GFDRR's core objective is to support national capacity building to deal with the risks of natural disasters and to enhance the speed and efficiency of international assistance for disaster recovery operations.²

The GFDRR is a partnership of the stakeholders of the ISDR system and is based on a **pro-active approach** to reducing disaster risks in high-risk countries. Rather than waiting until a disaster occurs in order to mobilize national and international resources for recovery and reconstruction, the GFDRR seeks to support *ex-ante* preparation of institutional and financial support to mitigate disaster risks, as well as help in managing the crises and supporting accelerated disaster recovery and reconstruction planning for future disasters. Activities of the GFDRR are organized in three Tracks:

1. **Track I** focuses on enhanced global and regional advocacy, partnerships, and standardization of hazard risk management tools, methodologies, and practices.
2. **Track II** supports countries at high disaster risk, including *ex-ante* (pre-disaster) risk identification, reduction, and financing strategies for low- and middle-income countries.
3. **Track III**, the SRFF, provides rapid and predictable disaster recovery operations to complement existing international coordination and the financing instruments of various multi-lateral and bilateral agencies. It also serves as an incentive for low-income countries to invest in *ex-ante* risk management and disaster mitigation initiatives.

² More details on the objectives and structure of the GFDRR are contained in its Concept Note. (Visit <http://gfdr.org> for details)

2.2 Focus of the SRF

The World Bank's Independent Evaluation Group issued a recent report on natural disasters that notes that national and international reactions to a disaster may be classified according to three phases of the reaction time: response (predominantly humanitarian relief), recovery (initiated as soon as possible, focusing on quickly repairing or rebuilding lost, critical assets, early reconstruction planning and on maintaining humanitarian assistance as required), and reconstruction (longer-term and comprehensive perspective).³ **SRF focuses on the recovery phase, primarily in low-income countries.**

2.3 Value Added of the SRF

World Bank administration of the SRF funds ensures that activities will be implemented according to the Bank's due diligence requirements. Partnership management also ensures that international support and coordination is mobilized appropriately in the immediate post-disaster phase of recovery, by providing technical and institutional support for transition recovery.

The SRF builds on Track I and II activities of the GFDRR. Country level activities primarily take place in countries that are mainstreaming disaster risk reduction into their national and strategic development plans under Track II. Track I activities support global and regional partnerships to ensure that disaster risk reduction is appropriately integrated by regional and international organizations. SRF catalyzes cooperation among all stakeholders in post-disaster recovery situations. It also aims to provide strong incentives for all low income countries eligible for assistance under Track II to undertake adequate disaster prevention and mitigation programs.

2.4 SRF Activities

The SRF includes two financing mechanisms: Track III-A, B and C, the "**Technical Assistance (TA) Fund**", and Track III-D, also known as "**Callable Fund**" for speedy access to financial resources for disaster recovery. The activities include:

Track III-A: Strengthen the global coordination of disaster recovery planning among international donors including the UN and the World Bank. To enable a common approach to disaster recovery, support is extended to ongoing country and global initiatives to streamline international assistance for disaster recovery and to facilitate a shared understanding of roles and responsibilities of different actors. Track III-A is jointly managed by the UN and World Bank.

³ Independent Evaluation Group, *Hazards of Nature, Risks to Development: An IEG Evaluation of World Bank Assistance for Natural Disasters*, the World Bank (2006), p. 6.

Track III-B: Strengthen global capacity for disaster recovery planning. These activities support the establishment of a knowledge base on disaster recovery planning, including world-wide and regional rosters of experts in disaster recovery, and provide training of regional and national professionals on disaster recovery planning and monitoring. Members of the International Recovery Platform (IRP)⁴, the UN Cluster Working Group on Early Recovery (CGWER) and Economic Commission for Latin America and the Caribbean (ECLAC) will document accumulated lessons from experiences of the international community that are useful for a disaster-stricken governments. They will also develop templates for joint needs assessments, planning and monitoring. CGWER and the IRP Secretariat, under the umbrella of the ISDR system, manage Track III-B.

Track III-C: Strengthen country capacity to apply disaster recovery planning tools (both pre- and post-): An accurate assessment of damages, losses, and needs and a realistic capacity assessment for recovery programs are essential to informing a well-designed recovery and development plan. More important is a set of country-specific tools deployed by the national and local governments to assess the impact of disasters and needs for immediate and long term recovery. Country-level initiatives of the national governments and the international community are supported to develop *ex ante* a common tool for damage, needs and capacity assessment building on country systems and processes. Support is also provided to deploy joint needs assessment missions to assist national governments, in close coordination with UN agencies, the private sector and the donor community, in the formulation of such assessments, as well as initiatives to formulate so-called Disaster Recovery and Financing Plan (DRFP). When and where countries already have formulated Disaster Recovery Plans (DRP), assistance is provided to ensure a complete picture of the socio-economic impact of the disaster as the basis for damage and impact, with all sectors included in recovery plans. The UN and the World Bank co-manage Track III-C of GFDRR. This Track also includes the deployment of Bank Staff Quick Reaction Teams (QRT) and multi-agency Standby Recovery Teams (START) to assist World Bank country offices and governments of affected countries in post-disaster needs assessments and recovery planning activities.

Track III-D: the Callable Fund for Accelerated Recovery. The **Callable Fund** is established as the GFDRR's primary instrument to mobilize incremental resources for speedy disaster recovery and swiftly channel donor resources in a coordinated man-

⁴ Visit <http://www.recoveryplatform.org> for details.

ner to disaster stricken countries to finance accelerated recovery interventions. This fund is initially limited to low income countries. The **Callable Fund** provides financial assistance for immediate disaster recovery after initiation of the relief or humanitarian period and prior to major disaster reconstruction that may be financed with more conventional instruments provided by the World Bank, Regional Development Banks and other international and national donor agencies. Whether, and to what extent, the **Callable Fund** may be drawn upon in response to a disaster in a particular country will depend on that country's national DRFP or comparable DRP. Track III-D is managed by the World Bank.

2.5 *SRFF Outputs*

Under **Track III-A**, improved global coordination for disaster recovery planning, the following deliverables would be produced:

- Agreements on the required contents of assessments and contingency plans for disaster recovery in countries affected by major disasters
- A coordination mechanism for the undertaking of support to countries affected by major natural disasters in the formulation of disaster recovery plans.

Under **Track III-B**, strengthened global capacity for disaster recovery planning, the following deliverables would be produced:

- Global template and terms of reference for the undertaking of joint damage, loss and capacity and needs assessments, pre-disaster planning, post disaster recovery planning and monitoring in countries affected by major natural disasters
- A knowledge base to be established at both the global and regional levels that may be available to assist in formulating disaster recovery plans for countries affected by major disasters
- Regional and national scope training seminars for national professionals on recovery standards and monitoring tools
- Twinning arrangements between high risk countries and expert institutions
- A series of socio-economic impact studies.

Under **Track III-C**, strengthened country capacity to apply disaster recovery planning tools, the following deliverables are to be produced:

- Technical cooperation for undertaking *ex ante* country-level, joint, damage, loss, needs and capacity assessments and pre-disaster planning in high-risk, preferably low-income countries
- Technical cooperation for the *ex post* development and monitoring of disaster recovery plans in preferably low-income countries affected by major natural disasters. In this

respect, up to 15 low-income countries at high disaster risks are to be included under Track III-C for pre-disaster planning during fiscal years 2008–10

- Support to joint missions in post-disaster situations.

Under **Track III-D**, the **Callable Fund**, the following deliverables are to be produced:

- Provision of financial resources for post-disaster recovery investments that apply risk reduction approaches.

SRFF-supported instruments for Accelerated Disaster Recovery

3

3.1 Planning

Estimation of Damage Assessment and Loss Assessment (DaLa)

The methodology developed by the UN Economic Commission for Latin America and the Caribbean (UN-ECLAC) is used to estimate the effects and impact of natural hazards. DaLa was developed in the 1970s and since then has been strengthened, simplified and customized for application in different areas of the world.

DaLa bases the assessment of disaster impacts on the overall economy of the affected country as well as on household level. This provides a basis for defining the needs for recovery and reconstruction following any disaster. DaLa estimates:

- Damage as the replacement value of totally or partially destroyed physical assets that must be included in the reconstruction program
- Losses in the flows of the economy that arise from the temporary absence of the damaged assets
- The resulting impact on post-disaster economic performance, with special reference to economic growth, the fiscal position and the balance of payments.

The methodology is available in English, French, Japanese and Spanish. Training material will shortly be available in Arabic.

SRFF supports the application of DaLa in disaster stricken countries. To amplify the scope of the assessment and reduce the cost of conducting parallel needs assessments, DaLa is complemented by sector specific assessment outputs, which provide a more detailed insight into the socio-economic impact. This combination of assessments is then used to formulate the recovery and reconstruction needs into a Joint Damage, Loss and Needs Assessment (JDLNA). A unique aspect of the JDLNA is that it is led by the Government of the affected country and assisted by a multi-disciplinary, multi-agency team. The JDLNA estimates:

- Damage, loss and macro-economic impact on the affected economy
- Impacts on livelihoods, incomes, and human development
- Short, medium and long term recovery and reconstruction needs
- Measures for Disaster Risk Management.

Post Disaster Needs Assessment

Although JDLNA combines the ECLAC methodology for macro-economic assessment with various sector specific needs assessment methodologies developed by specialized agencies, there is a need to develop a generic post-disaster assessment methodology. This is a work in progress by a partnership of the World Bank, UN and the European Commission. The output will be a practical guide with information management tools to support its application. The roll-out will include national capacity development exercises and agreement on protocols for cooperation in support of national processes to build and apply a recovery planning framework in post-disaster settings.

National Disaster Recovery Planning (NDRP)

To reduce the risk of future damage, hardship, loss or suffering from natural disasters, a pre-disaster planning method known as NDRP is being developed and tested. NDRP is a systematic approach that identifies hazards, analyzes risks, and develops projects that mitigate risks. NDRP is multi-hazard planning, applied through a participatory process with a view to putting in place appropriate measures for accelerated transition from relief to development prior to the occurrence of a disaster. NDRP will consist of hazard identification, mapping and vulnerability analysis; risk analysis; institutional disaster recovery preparedness analysis; hazard mitigation investment plans; disaster response plans; and plan maintenance through review and revision of the plan after a disaster.

3.2 *Technical Assistance*

Support for establishment of a Standby Recovery Team (START)

START is a small, mobile group of World Bank and UN staff, donors and independent consultants highly experienced in post-disaster assessments. They are on standby to be deployed to requesting governments of disaster-affected nations to facilitate development of a transitional recovery framework in the post-humanitarian phase. START provides specific technical assistance, assessment expertise and institutional knowledge to promote collaboration and coordination during the assessment and planning phases to minimize overlap and maximize targeting and quality of recovery investments. START is supported by the GFDRR and reflects the emerging partnership in post-disaster recovery assistance.

World Bank's Quick Reaction Team (QRT)

QRT is a roster of trained and experienced World Bank staff able to provide rapid assistance (within 72 hours of notification and 96 hours to be operational) to requesting country teams and governments of disaster-affected nations. They work in close collaboration with other international teams deployed for post-disaster recovery needs assessment. QRT staff are expected to provide their specific technical assistance and assessment expertise as needed in order to

minimize the possibility of poor decisions that can negatively impact long term development. QRT is managed by the GFDRR team of the World Bank and reflects the Bank's new policy on responding to crises and emergencies.

3.3 Capacity Building

Disaster Recovery Planning

Countries likely to need frequent assessments of damages and losses caused by natural disasters as well as recovery and reconstruction plans are offered training programs that develop disaster recovery planning capacity.

Such training programs include damage, loss, and needs assessments as well as contingency planning modules. These are provided through classroom and on-the-job training to national government staff, disaster recovery professionals, World Bank and UN Officials, and other relevant stakeholders. The expected output is the formulation of a National Disaster Recovery Plan and capacity to conduct in-country post-disaster assessments without major outside assistance.

Strengthening Social Protection

Social protection provides a temporary safety net to assist people and households that have lost their capacity to earn an income. Measures such as cash assistance are provided to the most vulnerable, including widows, orphans and the disabled, until they are brought under the coverage of existing Government social assistance programs.

SRFF strengthens social protection practices through the development of effective mechanisms for identification of the poor, the improvement of existing management information systems, and the design and implementation of effective, accountable and transparent payment systems.

Outputs include:

- Capacity and feasibility assessments, including prioritized action plans
- Social protection tools, such as an emergency targeting module and baseline spatial, demographic and other databases to facilitate preparation of post-disaster needs assessment
- Operations Manual for effective delivery of cash transfers in a post-disaster environment
- Study tours and regional workshops on lessons learned from recent post-disaster situations.

3.4 Tool Kits

Resettlement Tool Kit for Risk Reduction

A tool kit is being developed based on analysis of resettlement experiences implemented in several countries for disaster prevention. The analysis includes main lessons learned from de-

signing and executing successful resettlement programs for disaster prevention and reconstruction. The objective is to apply the tool kit across the World Bank regions, with a specific focus on current legislation and institutional frameworks, including central and local governments, sources of funding, community participation, and sustainability.

Disaster Reconstruction and Mitigation Global Information System

To document and disseminate the wide range of recovery, reconstruction and mitigation tools and practices, SRFF supports the establishment of a disaster recovery and mitigation database as a central repository of information relating to the various phases of disasters with detailed methodologies, case studies and assessments. The database modules will include mitigation projects and costs, damage and losses, needs assessments, projects (creation and recording), project tracking and evaluations (financial and physical), and reviews (lessons learned). The objective is to analyze, capture and share experiences, processes and methodologies in disaster situations across all sectors and to provide governments and the international community with skills to better respond to future disasters.

Tool Kit for Community Driven Recovery

Community involvement is critical in disaster recovery to ensure need-based and appropriately targeted assessments, planning processes and assistance. Operational guidance in the form of a tool kit is being developed to recommend improved practices and methodologies for implementing community-based investments in risk reduction and mitigation. The principal objective is to better equip practitioners to prepare for and respond to natural disasters.

Criteria for Access to SRF Resources

4

The GFDRR Charter, with clarifications and/or specifications by the GFDRR's Consultative Group, outlines the general criteria for access to SRF resources.

Track III-A, B, and C **Technical Assistance Fund** support will be made available to national governments, UN, IFIs and regional organizations and managed by principal partners of the GFDRR.

Track III- D **Callable Fund** support will be allocated on a country-by-country basis, although support may be integrated and coordinated across countries and/or over several international support institutions. The core instrument for determining eligibility for access to the **Callable Fund** is either the affected country's official DRFP or comparable DRP, which lays out, *inter alia*, the following:

- Expenditures required for the disaster recovery phase, as well as institutional arrangements, procedures for procurement, disbursement, audits and other fiduciary safeguards, and environmental and social requirements and safeguards
- Sources of financing secured for these expenditures, including domestic, bilateral and international sources
- A financing gap, if verified, that may be filled by resources of the **Callable Fund**, with effective expenditure commitments over approximately 6-12 months, as the appropriate phase for disaster recovery between humanitarian relief and longer-term reconstruction.

In order for the **Callable Fund** to be effective, it must be appropriately targeted as laid out in a DRFP (or DRP), disbursed quickly and effectively for the recovery phase, and monitored and evaluated to ensure that its resources are used for the purposes intended. The **Callable Fund** also should be complementary to other sources of funding for disaster recovery and reconstruction. Many of these "other sources" have been recently created and/or have relatively new procedures in place for targeting and deployment. Thus, the **Callable Fund** has been launched as a pilot over a period of approximately three years, so that its effectiveness may be evaluated and decisions made on whether a future scaling up of the Fund would provide significant value added to the GFDRR's mission. During this pilot period, it is proposed that the **Callable Fund** only provide grants (hence, initially not a revolving fund), and only to low income countries.

Specific uses of the **Callable Fund** will depend on eligible DRFP (or DRP), as specified in the Grant Agreements signed by representatives of the eligible country and the World Bank. In principle, however, the **Callable Fund** could provide full or partial support to one or more of

the following elements of an eligible DRFP: rebuilding and restoring physical assets; restoring the means of production and economic activities; preserving or restoring essential services; establishing and/or preserving human, institutional and/or social capital, including economic reintegration of vulnerable groups; and assisting with crucial initial stages of capacity building for longer term reconstruction, disaster management and risk reduction.

SRFF Operational Guidelines

5

5.1 *Funding Principles*

The SRFF includes two financing mechanisms: Track III-A, B and C, the “**Technical Assistance (TA) Fund**”, and Track III-D, also known as the “**Callable Fund**”.

Activities financed under the SRFF must comply with the following criteria:

- **Disaster Risk Reduction.** All activities must contribute to mainstreaming disaster risk reduction and assisting sustainable recovery to help eliminate poverty and achieve sustainable development.
- **Government Commitment.** There must be clear evidence that activities are country-owned.
- **Disaster Recovery Coordination.** All activities must contribute to a better coordinated response to disaster recovery, thereby improving the quality and targeting of the assistance provided.
- **Partnership.** Promoting inter-agency cooperation based on the comparative advantage of the organizations and their collaboration is a priority.
- **Demand Driven.** Proposals must be needs-based and provide clear evidence that affected communities have participated in the formulation and prioritization.

5.2 *Technical Assistance Fund*

The **TA Fund** is a global fund that is established through contributions of GFDRR partners into a multi-donor trust fund. Grants are awarded to implementing partners through grant agreements.

5.2.1 **Eligible Implementing Institutions**

Funding requests may be made to the GFDRR Secretariat by any entity, including central and local governments, UN agencies, and IFIs. The GFDRR Secretariat may, in its discretion, base its decision to provide funding for a certain activity on the provision by the recipient or beneficiary entity of an agreement stating its willingness to commit to certain future investments in disaster prevention and preparedness programs during the post-disaster recovery stage.

5.2.2 Eligible Activities

Activities that can be financed under the **TA Fund** may include:

- *Global Coordination and Protocol in Disaster Recovery*. This covers global dialogue, establishing protocols and strengthening global mechanisms.
- *Knowledge Resource Development in Disaster Recovery*. This covers knowledge management, capacity building and disaster recovery tools and standards development, and socio-economic impact studies.
- *Country level Capacity Development in Disaster Recovery Planning and Implementation*. This covers capacity building, damage and loss and needs assessments, contingency planning.

5.2.3 Fund Allocation

The GFDRR Secretariat shall determine the allocation of any funds received for the **SRFF TA Fund**. There are no specific minimum or maximum limits set for funding requests. The budget will reflect the feasibility of the project, proposed timelines and proven capacity of the implementing agency.

In allocating funds, priority will be given to the relevancy to strengthening the disaster recovery sector and the track record and mandate of the applicant in disaster recovery.

5.2.4 Application Process

Application for TA Funding consists of a one stage process:

- Applications from any of the proponents as outlined in paragraph three of this guideline are received by the GFDRR Secretariat, using the standard Application Template provided by the GFDRR.
- If the reviewed proposal is accepted, the GFDRR Secretariat initiates a Call for Funds within three days of receiving the proposal.
- Once the funds match the Call for Funds, the Bank and the applicant will enter into a Grant Agreement.

5.3 Callable Fund

The **Callable Fund** is a fund-in-readiness to be activated when disaster strikes. This multi-donor trust fund provides an innovative approach in that donors enter into an agreement *ex ante* a natural disaster with the World Bank to support the **Callable Fund**; however, actual funds are mobilized *ex post* a natural disaster through a Call for Funds. This allows incremental resources to be mobilized and donor resources swiftly channeled in a coordinated manner to disaster stricken countries. The **Callable Fund** finances accelerated recovery interventions that provide a bridge between the relief and humanitarian phase and the reconstruction and development phase.

5.3.1 Activation of the Callable Fund

The **Callable Fund** may be activated immediately after a natural disaster strikes a country through a Call for Funds by the GFDRR Secretariat. With respect to each affected country, the initial Call shall be supported by a request from one or more of the following: local governments, UN Resident Coordinator, bilateral donors to the affected country, a World Bank department routed through the World Bank Country Director of the affected country, and a member of the GFDRR Consultative Group;

Following an initial call after a natural disaster, any additional calls shall be made at the discretion of the GFDRR Secretariat and are based on initial post-disaster assessments and recommendations from national authorities for financing gaps in priority recovery needs.

5.3.2 Eligible countries

The **Callable Fund** is deployed to support primarily low-income countries that have limited fiscal resources and require additional funds for accelerated recovery. The **Callable Fund** helps countries avoid having to significantly reallocate earmarked development resources.

The following countries shall be eligible for assistance under the **Callable Fund**:

- Low income countries defined by the World Bank as eligible to receive assistance from the International Development Association
- Countries with either 30 percent of GDP or 50 percent of population exposed to natural hazards, as determined by the World Bank's Global Hotspot Study.

A country's eligibility to access the **Callable Fund** is determined by whether it has developed a comprehensive plan to guides investment in disaster recovery which lays out, *inter alia*, the following:

- Expenditures required for the disaster recovery phase and the implementation of institutional arrangements; procedures for procurement, disbursement, audits and other fiduciary safeguards; and environmental and social requirements and safeguards
- Sources of financing for these expenditures from domestic, bi-lateral and international sources
- A financing gap, if verified, that may be covered by the **Callable Fund**, with effective expenditure commitments over the approximately 6 to 12 months phase between humanitarian relief and longer-term reconstruction.

5.3.3 Eligible Implementing Institutions

Requests for funding may be made to the GFDRR Secretariat by any entity, including central and local governments, UN agencies and IFIs. The GFDRR Secretariat may, in its discretion, base its decision to provide funding for a certain activity on the provision by the recipient or beneficiary entity of an agreement stating its willingness to commit to certain future invest-

ments in disaster prevention and preparedness programs during the post disaster recovery stage.

5.3.4 Eligible Activities

Activities that can be financed under the **Callable Fund** may include:

- *Post-Disaster Recovery and Reconstruction Planning.* This covers the deployment of needs assessment missions, such as joint missions of UN agencies, IFIs, donors and affected government agencies, and includes:
 - activities to support and develop post-disaster assessments of damage, loss and needs;
 - advisory and analytical work related to developing and implementing integrated recovery strategies.
- *Accelerated Recovery.* This covers activities for accelerated recovery interventions in support of efficient transitions to medium and longer term recovery and development programs, including:
 - rebuilding and restoring physical assets
 - restoring means of production and economic activities
 - preserving and restoring essential services
 - establishing and preserving human, institutional and social capital, including economic reintegration of vulnerable groups
 - carrying out crucial initial capacity building for longer term reconstruction, disaster management and risk reduction
 - carrying out such other activities as may be necessary for early recovery.

5.3.5 Fund Allocation

The GFDRR Secretariat shall determine the allocation of any funds received for the SRFF **Callable Fund**. There are no specific minimum or maximum limits set for funding requests. The budget will reflect the magnitude of the disaster, feasibility of the project, proposed timelines and proven capacity of the implementing agency.

In allocating funds, priority will be given to the following:

- Inclusiveness of missions. Joint missions of the UN, IFIs, donors and national authorities for post disaster recovery needs assessments will be viewed more favorably and funded more readily than efforts with limited participation
- Track records in disaster work. Prior investments in disaster prevention and preparedness programs will be viewed more favorably and will strengthen requests for funding of post-disaster recovery and mitigation programs. A self-assessment report outlining the disaster prevention and preparedness programs undertaken, will be required to be

submitted to the GFDRR Secretariat every time a request is made for post-disaster recovery financing.

5.3.6 Application Process

The application for **Callable Fund** funding consists of a one stage process:

- Following the Call for Funds issued by the GFDRR Secretariat applications from any of the proponents as outlined in this guideline are received by the GFDRR Secretariat using the standard Application Template provided by the GFDRR.
- The GFDRR Secretariat will review the proposal and decide whether to finance it within three days of receiving the proposal.
- When the proposal is approved and matched with funding, the Bank and applicant will enter into a Grant Agreement.

5.4 Application Template

The application uses a template that includes four parts:

- Brief description of the natural disaster event, initial estimate of the damage and loss, extent of damage to critical infrastructure and the impact on resumption of normal economic activities in the country
- Report on emergency relief operations by the government and various UN and other international agencies, as well as critical gaps in such operations
- Summary of the provisions made in the approved Disaster Recovery Financing Plan for emergency and early recovery operations in the country
- Justification for use of the **Callable Fund**, including the amount required for early recovery and whether the required counterpart funding has been assured; types of activities to be supported; convergence with other recovery programs taken up by the national government, the UN or other donors/international agencies; implementation mechanism; time frame; and expected outcomes.

5.5 Fund Administration

As administrator of the SRFF, the Bank will enter into grant agreements with one or more entities for the provision of services under the TA and **Callable Funds** as detailed in the terms and conditions set forth in the respective Grant Agreements.

For Bank-executed activities financed under the SRFF Funds, the employment and supervision of consultants and the procurement of goods shall be the sole responsibility of the Bank and shall be carried out in accordance with applicable Bank policies and procedures.

For Recipient-executed activities financed under the SRFF, the Grant Agreements shall provide that Recipients use the contributions to finance expenditures for goods and services, as the case may be, in accordance with the Bank's Guidelines on "Procurement under IBRD Loans

and IDA Credits” and “Selection and Employment of Consultants by World Bank Borrowers” in effect on the date of the respective Grant Agreement.

5.6 Reporting, Monitoring and Evaluation

Consolidated narrative and financial reports must be submitted to the GFDRR Secretariat on a regular basis for review, and include monitoring aspects and reflections on lessons learned.

The GFDRR Secretariat has established a Results Based Management System for the monitoring and evaluation of all projects.

SRFF Application Forms

6

6.1 Technical Assistance Fund

A1. Proposed Project Title: _____

A2. Proponent Information

Name:	Position:	
Organization:		
Address:		
Telephone:	Fax:	Email:

A3. Geographic Focus of Proposed Activity:

Global <i>(please specify)</i> :
Regional <i>(please specify)</i> :
Individual Country <i>(please specify)</i> :
Multi-Country <i>(please specify)</i> :
<i>Provide a concise justification for multi-country activity here:</i>

A4. **Government Endorsement of Country-Specific Activities:** *Please indicate the name and corresponding details for the government authority endorsing this proposal. There must be clear evidence of government ownership of activities proposed here. Attach additional info in E1.*

Name of responsible official:		
Position:		
Ministry/Agency:		Country:
Tel:	Fax:	Email:

B1. **Proposed Activity:** *Briefly describe [in 500 words or less] the activities proposed under this project*

B2. Nature of Proposed Activity: *Check the box which specifies the primary nature of the proposed activity (P) and where applicable, check one or more boxes which reflect secondary natures (S).*

Primary (P) one only	Secondary (S) One or more	
		Needs Assessment: <i>Advice on the design and implementation of assessments, including studies and drafting of instruments.</i>
		Recovery Planning: <i>Support to the design and implementation of disaster recovery plans that reflect some measure of innovation, and offer potential demonstration effects.</i>
		Risk Reduction: <i>Support to designing mechanisms related to disaster risk reduction</i>
		Analytical and Advisory Services: <i>Studies defined here. Includes national, sub-national and sector studies.</i>
		Economic Sector Work: <i>Activities focusing on the identification, promotion and dissemination of best practice relating to disaster recovery.</i>
		Advocacy, Training and Consensus Building: <i>Activities aimed at building consensus among stakeholders for appropriate policy, regulatory and institutional reforms.</i>
		Institutional Capacity Building: <i>Activities aimed at building government capacity in disaster recovery and in the regulation of disaster mitigation, response, recovery, climate change adaptation.</i>
		Emergency Management: <i>Devising strategies for emergency management, preparedness mechanisms, etc.</i>

B3. Objective, activities and expected outputs of the proposed Activity: *Briefly describe [in 500 words or less] the objective of the activity proposed for GFDRR funding. The proposed activity should clearly link ongoing recovery activities.*

B4. Primary Type of Deliverable: *(e.g., study/report, survey, assessment, plan, economic and financial analysis, training, seminar, workshop, other kind of deliverables).*

B5. Activity Outcome and Impact Assessment: *Summarize the key indicators against which the success of the activity might be judged.*

B6. Time Frame of the proposed Activity: *describe duration and timing.*

C1. Consistency with GFDRR Mission: *Describe briefly how this specific activity would contribute to GFDRR's overarching objective of reducing vulnerabilities to hazards and help eliminate poverty and achieve sustainable development.*

C2. Coordination Issues: *Describe how the proposed activity is related to recently completed, ongoing or proposed activities funded by international financial institutions or official donors, and list these activities and their sponsoring agency. What measures have been taken to ensure that the activity is not in conflict with programs or activities of donors, including the World Bank? Also include here coordination with other development partners in terms of project preparation.*

D1. Implementation Approach and Schedule: *Briefly describe each element of the implementation approach: (a) the implementing entity (e.g. consultants, government officials, etc); (b) for country-specific activities, key counterpart institutions; (c) measures to involve key stakeholders; and (d) how the output of the activity is proposed to be disseminated, including its target audience. Indicate a beginning and end date, as well as major milestones. If a multi-phased approach is proposed, include indicative timing for all major activity phases.*

D2 Financing Plan of the proposed Activity: *present a summary budget that contains the main components. If co-financing is not yet approved, indicate the status of the request and any relevant timing (it is particularly important to indicate any estimates of government cash or in-kind contributions).*

Major Components	GFDRR Request (US\$)	Co-financing		Total Cost (US\$)
		US\$	Source (e.g., government cash or in-kind contributions; proponent's own resources, donor funds)	
Consulting Services <i>(fees, travel, per diem)</i>				
Task Team Supervision Cost ¹ <i>(fees, travel, per diem)</i>				
Dissemination Costs <i>(Translation, editing, publication, etc.)</i>				
Logistics <i>(Training, workshops, conference facilities, stakeholder consultation, etc.)</i>				
Pilot Works <i>(please specify and provide rationale for use)</i>				
Other <i>(please specify)</i>				
Total Financing/Costs				

D3. Quality Assurance Mechanisms, Replication, Scaling Up, Monitoring and Evaluation: *Describe the measures that will be in place to ensure the activity is subject to independent quality review (e.g., external peer reviewer or advisory groups. Briefly describe how experience and lessons learned in proposed activity will be scaled up, disseminated.) Describe specific performance indicators and how these will be monitored during project implementation.*

¹ This is limited to 10% of the proposed total GFDRR Request. In exceptional conditions, this may be considered for up to 15% of total GFDRR request.

E1. Additional and Supporting Information: *Include any additional information that may be useful in evaluating the proposal (e.g., related activities which may have been undertaken; planned follow-on activities; etc.). List all supporting material including, where appropriate, government approval letters, and terms of reference. To the extent possible, please attach these materials as electronic files if submitting application by electronic mail. Where material has been sent to GFDRR separately from this application, indicate the date and form (e.g., fax, courier, etc.) of transmission to GFDRR.*

Electronic versions of the Track III Application Form are available at **www.GFDRR.org**

Email the completed form to: **Application@GFDRR.org** with a copy to **dwielinga@worldbank.org**.

Or mail the completed form to:

GFDRR Secretariat
The World Bank
MSN MC5-512
1818 H Street NW
Washington, DC 20433 USA

6.2 Callable Fund

A1. Proposed Project Title: _____

A2. Proponent Information

Name:		Position:	
Organization:			
Address:			
Telephone:		Fax:	Email:

A3. Description and Type and Location of the Natural Disaster:

Type of Natural Disaster: <i>(please specify)</i> :	
Individual Country <i>(please specify)</i> :	
Multi-Country <i>(please specify)</i> :	
<i>Provide a concise justification for multi-country activity here:</i>	

A4. Government Endorsement of Country-Specific Activities: *Please indicate the name and corresponding details for the government authority endorsing this proposal. There must be clear evidence of government ownership of activities proposed here. Attach additional info in E1.*

Name of responsible official:		
Position:		
Ministry/Agency:		Country:
Tel:	Fax:	Email:

A5. Description of the magnitude of the Natural Disaster: *Briefly describe (in 500 words or less) the effect the natural disaster has had on the population and economy.*

A6. Description of Emergency Relief Operations: *Briefly describe [in 500 words or less] what relief operations have been taken up by the Government, Development partners, UN and International Agencies. Also describe critical gaps if any.*

B1. Proposed Activity: Check the boxes that apply to the proposed activity

<input type="checkbox"/>	Damage and Loss Assessment <i>(preferably a joint effort of Government with UN, IFIs and donors):</i>
<input type="checkbox"/>	Recovery Planning
<input type="checkbox"/>	Recovery Implementation <i>(specify further)</i>
<input type="checkbox"/>	Social Protection
<input type="checkbox"/>	Housing

	Health
	Education
	Water and Sanitation
	Infrastructure Development
	Environment
	Employment Generation
	Livelihood Recovery
	Micro Finance
	Capacity Building

B3. Objective, activities and expected outputs of the proposed Activity: *Briefly describe (in 500 words or less) the objective of the activity proposed for GFDRR funding. The proposed activity should clearly link ongoing recovery activities.*

B4. Primary Type of Deliverable: *(e.g., study/report, survey, environmental and social impact assessment, economic and financial analysis, training, seminar, workshop, other kind of deliverables).*

B5. Activity Outcome and Impact Assessment: *Summarize the key indicators against which the success of the activity might be judged.*

B6. Time Frame of the proposed Activity: *describe duration and timing.*

C1. Consistency with GFDRR Mission: *Describe briefly how this specific activity would contribute to GFDRR's overarching objective of reducing vulnerabilities to hazards and help eliminate poverty and achieve sustainable development.*

C2. Coordination Issues: Describe how the proposed activity is related to recently completed, ongoing or proposed activities funded by international financial institutions or official donors, and list these activities and their sponsoring agency. What measures have been taken to ensure that the activity is not in conflict with programs or activities of donors, including the World Bank? Also include here coordination with other development partners in terms of project preparation.

D1. Implementation Approach and Schedule: Briefly describe each element of the implementation approach: (a) the implementing entity (e.g. consultants, government officials, etc); (b) for country-specific activities, key counterpart institutions; (c) measures to involve key stakeholders; and (d) how the output of the activity is proposed to be disseminated, including its target audience. Indicate a beginning and end date, as well as major milestones. If a multi-phased approach is proposed, include indicative timing for all major activity phases.

D2 Financing Plan of the proposed Activity: present a summary budget that contains the main components. If co-financing is not yet approved, indicate the status of the request and any relevant timing (it is particularly important to indicate any estimates of government cash or in-kind contributions).

Major Components	GFDRR Request (US\$)	Co-financing		Total Cost (US\$)
		US\$	Source (e.g., government cash or in-kind contributions; proponent's own resources, donor funds)	
Consulting Services (fees, travel, per diem)				
Task Team Supervision Cost ² (fees, travel, per diem)				
Dissemination Costs (Translation, editing, publication, etc.)				
Logistics (Training, workshops, conference facilities, stakeholder consultation, etc.)				

² This is limited to 10% of the proposed total GFDRR Request. In exceptional conditions, this may be considered for up to 15% of total GFDRR request.

Pilot Works <i>(please specify and provide rationale for use)</i>				
Other <i>(please specify)</i>				
Total Financing/Costs				

D3. Quality Assurance Mechanisms, Replication, Scaling Up, Monitoring and Evaluation:

Describe the measures that will be in place to ensure the activity is subject to independent quality review (e.g., external peer reviewer or advisory groups. Briefly describe how experience and lessons learned in proposed activity will be scaled up, disseminated.) Describe specific performance indicators and how these will be monitored during project implementation.

E1. Additional and Supporting Information: *Include any additional information that may be useful in evaluating the proposal (e.g., related activities which may have been undertaken; planned follow-on activities; etc.). List all supporting material including, where appropriate, government approval letters, and terms of reference. To the extent possible, please attach these materials as electronic files if submitting application by electronic mail. Where material has been sent to GFDRR separately from this application, indicate the date and form (e.g., fax, courier, etc.) of transmission to GFDRR.*

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About the Global Facility for Disaster Reduction and Recovery

The Global Facility for Disaster Reduction and Recovery (GFDRR) was established in September 2006 to help developing countries—particularly those at highest risk to natural disasters—enhance their capacity for disaster prevention, emergency preparedness, response, and recovery. Its mission is to mainstream disaster reduction and climate change adaptation in country development strategies to reduce vulnerabilities to natural hazards. GFDRR is a long-term partnership between the World Bank, the United Nations, and donors.

Using a flexible and innovative three-track funding approach, it supports strategically focused disaster risk reduction projects that are responsive to changes in the global environment, including the impacts of climate change on the world's poorest countries.

Track I supports regional cooperation and knowledge sharing. Track II provides technical assistance for country and transboundary risk reduction. Track III—the Standby Recovery Financing Facility—supports pre-disaster planning and the mobilization of donor resources for accelerated disaster recovery.

Global Facility for Disaster Reduction and Recovery

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