



EFFECTIVE DISASTER-RISK MANAGEMENT, RECONSTRUCTION AND RECOVERY

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Governments are increasingly operating in a multi-risk environment requiring a focus on resilience



Over the past two decades, governments across the OECD have been confronted with a wide range of shocks, including economic crises, pandemics, armed conflict and natural disasters.

The number of weather-related disasters has increased by a factor of five over a 50-year period and is expected to continue to rise.



A reactive approach to disaster-risk management is untenable. Instead, a proactive approach to building resilience is required.

- Are multi-level governance and financial arrangements fit-for-purpose to face future shocks?
- What measures are being taken to increase subnational resilience to disasters?

Sources: García-León, D., Casanueva, A., Standardi, G. C et al. (2021), Current and projected regional economic impacts of heatwaves in Europe; WMO (2021), Weather-related disasters increase over past 50 years, causing more damage but fewer deaths; Pew Trusts (2021), How Government Can Address Growing Disaster Costs.



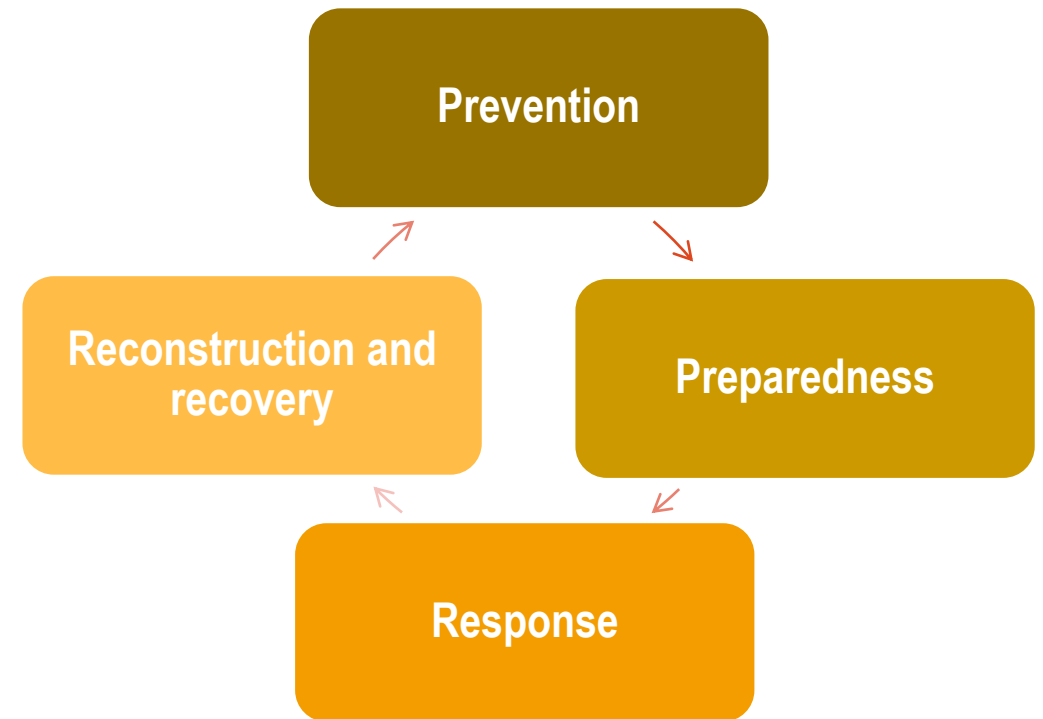
Subnational governments play a key role in all stages of the disaster-risk management cycle

As the institutional level closest to citizens, subnational authorities are often the **first to identify an emergency**.

Regions and local governments are generally at the **forefront of disaster response and recovery efforts**.

Their **particular knowledge of the community's needs and capacities** is crucial to support effective disaster-risk management, reconstruction and recovery.

Disaster-risk management cycle



Sources:

Australian Council of Social Service (2015), Emergency Management: Prevention, Preparedness, Response & Recovery; FEMA (2013), Emergency Management in the United States; University of Central Florida (2022), The Disaster Management Cycle: 5 Key Stages & How Leaders can Help Prepare; WHO (2017), A Strategic Framework for Emergency Preparedness; Bello, Bustamante and Pizarro (2021), Planning for disaster risk reduction within the framework of the 2030 Agenda for Sustainable Development



Multi-level governance arrangements affect subnational disaster management capacities

An effective emergency response rests on the clear assignment of responsibilities

Questions to guide the assignment of tasks:

- Is there an area of shared competence?
- Is there a need to act in concert?
- Is the task execution feasible?
- Are mechanisms in place to ensure the transparent and accountable execution of tasks?

Good co-ordination and communication can mitigate disaster-risk management failures

- Challenge of balancing organisational stability, specialisation, and rapid response, while allowing for adaptation in the face of changing circumstances.



Source: Melo Zurita, M. et al. (2015), "Towards New Disaster Governance: Subsidiarity as a Critical Tool", *Environmental Policy and Governance*, Vol. 25/6, pp. 386-398.



Disasters affect subnational revenue, expenditure and debt

How subnational governments are affected depends on:

Fiscal decentralisation arrangements and spending responsibilities

Fiscal flexibility

Pre-crisis fiscal and financial positions of subnational governments

The sensitivity of subnational revenues to the short-term effects of disasters

Support from higher levels of government and international donors

Level of insurance held by subnational governments, businesses and homeowners

Different policy actions can increase fiscal resilience to disasters:

Financial measures (more short-term)

- Temporary easing of spending responsibilities and debt relief
- Preparing fiscal sustainability plans

Changes to financial framework conditions (more longer-term)

- Re-evaluating the assignment of responsibilities and availability of necessary funding
- Diversifying subnational sources of revenue



OECD policy recommendations for rebuilding after a natural disaster



OECD policy recommendations for rebuilding after a natural disaster

1

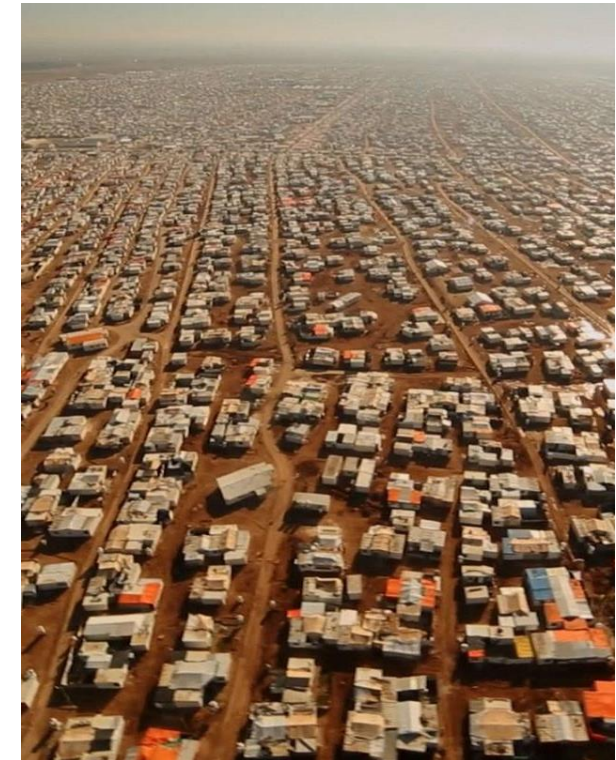
Ensure that short-term decisions do not constrain long-term options

- Interventions intended as short-term solutions can have **long-term implications**. **Scarce resources** require careful decision-making on how to meet urgent needs, while ensuring capacity to deliver over time.

2

Reconstruction and recovery efforts should be integrated into a coherent vision and development strategy to improve on the past

- Recovery plans needs should:
 - Take into account **pre-existing conditions** and **immediate needs**
 - Propose a **vision** for future development
- Reconstruction can **create space for reform** (e.g. update building codes, zoning plans) Ambitious reforms should not come at the expense of meeting short-term needs.





OECD policy recommendations for rebuilding after a natural disaster

3

Foster public participation to help reconstruction and recovery decision making

- Private sector, academia, civil society organisations can **identify local needs, provide essential services, and support reconstruction.**
- Post-disasters reconstruction can **create space for increased public participation** in development planning in general.



4

Ensure oversight, transparency and accountability mechanisms are in place

- The **risks associated with vested interests** and corruption tend to be exacerbated in post-disaster contexts.
- Transparency and accountability are often **not prioritised** in the early phase of reconstruction.
- **Examples of practice mechanisms** include: public expenditure tracking, monitoring public service delivery and citizen advisory boards.





OECD policy recommendations for rebuilding after a natural disaster

5

Good co-ordination and communication can mitigate disaster-risk management failures

- **Important trade-offs** between centralised, decentralised and network approaches.
- **Embed co-ordination and communication** throughout the disaster-risk management cycle.



6

Build the capacity to absorb and process reconstruction funding

- Invest in **skills that are particularly relevant** for reconstruction and recovery.



OECD work on disaster-risk management

Longstanding OECD expertise in the field of disaster-risk management

- OECD **Recommendation** on the Governance of Critical Risks (2014)

Integral part of work conducted under the Regional Development Policy Committee:

- Sustainable reconstruction and recovery in the wake of emergencies
 - Post-2023 earthquakes in southern **Türkiye**
 - Post-2022 large-scale Russian war of aggression against **Ukraine**
 - Post-2011 earthquake, tsunami and nuclear meltdown in Fukushima, **Japan**
 - Post-2008 earthquakes in Abruzzo, **Italy**
- **Water-related** disaster-risk management
- **Urban** risk-management
- Subnational **fiscal resilience** to disasters



Thank you for your attention!



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