

OECD Statement on HFA zero draft

General appreciation of the zero-draft

1. Following its contribution to PrepCom1, the OECD is pleased to have had the opportunity to contribute to the pre-zero draft. In accordance with the OECD Ministerial Council Recommendation on the Governance of Critical Risks, adopted in May 2014 under the chairmanship of the Prime Minister of Japan, the zero draft recognises :

- the context of increasing global interdependence which requires intensified international cooperation,
- the key enabling and coordinating role of national governments,
- the importance of good governance principles for efficient risk management policies
- the effectiveness of peer-reviews processes as a tool for policy improvement

This offers new avenues for the post-2015 framework for Disaster Risk Reduction, reflecting the urgent need for a more holistic approach, where the economic understanding of risk, its consequences, the role and strategies of government as a key actor together with other stakeholders are brought together to build the conditions for inclusive and sustainable growth.

Specific OECD comments on the HFA zero-draft

2. The OECD would be grateful if attention could be given to the following elements of the zero draft:

Priority 1: Understanding disaster risk

The OECD Recommendation advises building preparedness through foresight analysis, risk assessments and financing frameworks, to better anticipate complex and wide-ranging impacts. This section of the zero-draft could benefit from additional emphasis on the need to adopt all hazard approaches to risk assessment, to develop National Risk Assessment to help inform and prioritise disaster risk reduction, emergency management capabilities and the design of financial protection strategies. Accounting for public expenditures in disaster risk management would also strengthen the evidence-base.

Specific comments on this section are as follow:

1. It is suggested to add “as well as risk management expenditures” at the end of paragraph 22) b or otherwise in 23) A.
2. It is suggested to add a new subparagraph in paragraph 22) between c and d as follows:
Adopt all-hazards approaches to national risk assessment to help prioritise disaster risk reduction, emergency management capabilities and the design of financial protection strategies
3. It is suggested to add the mention “including through foresight” at the end of paragraph 22 h.

Priority 2: Strengthening governance and institutions to manage disaster risk

The OECD Recommendation calls for establishing a comprehensive, all-hazards and transboundary approach to country risk governance to serve as the foundation for enhancing resilience and responsiveness. It also recommends demonstrating transparency and accountability in risk-related decision-making by incorporating good governance practices and continuously learning from experience and science. Given the importance of such matter, these aspects could be brought to the fore of the pre-zero-draft as a first Priority, with attention to the implications for policy implementation. The OECD stands ready to offer its long standing experience to support the peer reviews as an efficient mechanism for policy improvement, and the successful reviews of the HFA it helped conducting in partnership with the UNISDR and the European Commission in the UK and Finland.

Specific comments on this section are as follows:

It is suggested to review paragraph 25 by focusing first on the need of a national strategy - inspired by paragraph 25.b-, then to ensure coherency, connect the policy agendas and align priorities - based on paragraph 25. a- , engage all stakeholders from national to local levels with a whole-of-government and whole-of-society approach to risk governance, assign clear roles and responsibilities, and finally ensure transparency, accountability, through appropriate monitoring of policy implementation and open and inclusive policy-making -inspired by paragraph 25 c, d and e which could be regrouped all- together.

Priority 3: Investing in economic, social, cultural and environmental resilience

The OECD Recommendation, calls for raising risk awareness to mobilise households, businesses and international stakeholders and foster investment in risk prevention and mitigation. While the zero draft highlights a series of resilience measures which can be taken by governments, there are still gaps with regard to the need to allocate resources strategically through cost-benefit analysis across the mix of structural and non-structural measures and the full country portfolio. The need to engage the whole-of-society in investing in resilience measures could be better acknowledged by mentioning in particular business-continuity.

Specific comments on this section are as follows:

- 1. It is suggested to review paragraph 27, by including “through **the appropriate mix of structural and non-structural measures**” and “such measures are cost-effective and instrumental to save lives and prevent and reduce losses **when properly planned**”*
- 2. It is suggested to review and re-order paragraph 28.*
 - Paragraph a) could be focused in a more strategic way by including “Allocate resources **strategically based on risk information and cost-benefit analysis**”*
 - Paragraph b) could distinguish investments in structural protective infrastructures and critical infrastructures network and make reference to all investments, public as well as private*
 - A new paragraph could focus specifically on businesses as follows: “encourage businesses to take steps to ensure business continuity with a specific focus on critical infrastructures operators”*

Priority 4: enhancing preparedness for effective response and building back better in recovery and reconstruction

The OECD Recommendation calls for developing risk adaptive capacity in crisis management by coordinating resources across government, its agencies and broader networks to support timely decision-making, communication and emergency responses. It also recommends planning for contingent liabilities within clear public finance frameworks by enhancing efforts to minimise impacts on public finance and to build institutional capacity to design and oversee recovery and reconstruction. The zero draft mentions the basics of disaster preparedness but could benefit from a clearer focus on the need for better inter-agency coordination, scaling-up capacities from national to local levels, public-private partnerships, crisis leadership that have all proven to be essential in recent disaster events to reduce impacts and maintain public trust, especially for unexpected large-scale risks.

Specific comments on this section are as follows

- 1. It is suggested to include in paragraph 31 a) “**based on latest risk information** and with a particular focus on **inter-agency coordination** “*
- 2. It is suggested to add a paragraph between paragraph 31 d) and e) as follows: “Develop strategic crisis management capacities to prepare for unknown and unexpected risks building on a solid foundation of standard operating procedures complemented with interoperable and flexible resources, the ability to mobilise multi-disciplinary expertise, trained crisis leadership and crisis communication capacities”*

Implementation and follow-up

The OECD Stands ready to assist in implementation and follow up, supporting countries in the implementation of best practices in the governance and management of risks, through policy analysis, peer review and exchange of best practices, and cross country benchmarking. It stands ready to share the good practices and lessons learned, for the benefit of the broader international community, particularly in the context of the upcoming meeting of the OECD High Level Risk Forum on 10-12 December 2014.