

## GLOBAL INITIATIVE ON DISASTER RISK MANAGEMENT (GIDRM) STRENGTHENING MULTI-RISK APPROACHES IN LATIN AMERICA AND THE CARIBBEAN

Extreme natural events, slow-onset events such as droughts and sea-level rise, and technological or man-made hazards often have disastrous impacts if the resilience of people and infrastructure is not sufficiently strengthened. As urbanization continues apace, coupled with inadequate health care, environmental degradation, fragile statehood and violent conflicts, disaster risks become more acute, complex, and increasingly interdependent. Climate change amplifies these factors.

Disaster risk management (DRM) is a cross-sectoral issue. Disasters have impacts on a variety of areas such as public health, economy, governance, tourism, critical infrastructure (e.g. hospitals, transport, water, communication) and can have devastating effects in already fragile contexts. The current **COVID-19 pandemic** illustrates the vulnerabilities and interdependencies of all socio-political and economic areas and sectors worldwide. The pandemic has pushed many health systems to their limits, and the rapid spread of the virus has also created immense economic and socio-political burden in almost all sectors and areas of society. Increasing interdependencies and complex hazards and risks confront us with the challenge of finding new and more resilient approaches to reduce the risk of critical infrastructures failure.

Despite an increasing understanding of the complexity of risks, these are not always adequately considered in development planning and programming. A lack of ability to understand and manage systemic risks jeopardizes the achievement of the Sendai Framework for Disaster Risk Reduction (2015-2030) and the Sustainable Development Goals. **Disasters suddenly wipe out many years of development successes and reduce the development opportunities of countries.**

### OUR GOAL WORLDWIDE:

#### PROMOTING RISK-INFORMED DEVELOPMENT

GIDRM aims at strengthening the capacities and skills of decision-makers in the Asia, Southern Africa, and Latin America and the Caribbean (LAC) **to address complex and systemic risks by applying the guiding principle of risk-informed development (RID)** in key sectors.

RID describes an understanding of development that considers multi-faceted, dynamic, interdependent, transnational, simultaneous and systemic risks. Risk-informed development is a continuous process of addressing complexity – and never neglecting it.



### OUR GOAL IN LATIN AMERICA AND THE CARIBBEAN: ENSURING RISK-INFORMED PUBLIC INVESTMENT

While the pandemic is leading to major socio-economic repercussions worldwide, the impact of COVID-19 crisis is especially severe in the LAC region exacerbating existing inequalities. The pandemic has exhausted the existing responsive capacities in many sectors. Besides imposing a severe burden on healthcare systems, the pandemic has entailed many cascading negative impacts in other sectors: Preventive measures of the government to contain the spread of the virus, such as the suspension of services and the interruption of commercial activities, resulted in economic recession, supply shortages and rising unemployment rates and a deterioration of working conditions. In this context, **public investment in resilient infrastructure** emerges as a sensitive variable for the recovery during and after the Covid-19 pandemic. As public investment projects (PIP) can generate direct, indirect, and induced employment, the **recovery process presents a window of opportunity for sustainable public investment.**

#### *The INCENTIVA Project*

The National Public Investment Systems (SNIP) in Latin America and the Caribbean are paving the way towards economic recovery by having direct interference in the

formulation and evaluation of public investment projects. In most countries there is an established capacity to analyze PIPs; however, by incorporating disaster risk management (DRM), climate change adaptation (CCA) and mitigation into the investment life cycle, capacities can be strengthened further. As a measure to reduce disaster risks and contribute to more efficient and effective public investments, the SNIP networks have been addressing disaster risk management and resilience in pre-investment, investment, and post-investment processes.

Since January 2021, the Central American Institute of Public Administration (ICAP) has been developing the regional project called INCENTIVA (Central American Initiative for Public Investment with Added Value), financed by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, through its project, the Global Initiative on Disaster Risk Management. In close cooperation with the regional SNIP networks, INCENTIVA seeks to strengthen national public investment systems through methodological and technological tools that generate public value in the management of public investment projects and contribute to the post-pandemic economic recovery in face of systemic risks. The project is implemented in Central America (Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica and Panama) and the Caribbean (the Dominican Republic).



#### *Planned measures in the implementation of INCENTIVA*

- As one of the methodological tools, a **baseline-study** is being finalized on how to incorporate DRM and CCA in public investment projects while critically reviewing the functioning of the institutions associated with the National Public Investment Systems of the seven countries involved.
- A **training program** was set up: The specialization courses are aimed at public officials of the institu-

tions linked to the associated National Public Investment Systems (SNIP). The "Master's degree in development project management" of ICAP lasts 17 months; a scholarship has been awarded to one public official per country. The specialization program "Public investment projects with a focus on incorporation of climate risks" was formulated within the framework of this initiative. It has a duration of six months and 64 public officials from the countries involved have been awarded scholarships, among which are officials of municipalities, of the Directorates-General for Investment and various ministries responsible for the formulation of public investment projects.

- A **toolbox** for the formulation and evaluation of public investment projects is developed.
- **Prioritization mechanism:** In the context of the COVID-19 pandemic and associated efforts to foster economic recovery, the prioritization of investment projects is an important task in the overall public management process. Determined by the existing national public development policies, projects that meet the goals of the post-pandemic recovery plans are intended to be prioritized.
- As a part of the training program set up, **projects are prioritized:** The developed toolbox for the evaluation of public investment projects and the prioritization mechanism for economic recovery will be finalized in March 2022. Subsequently, a pilot case will be formulated per country and both tools will be tested.
- **Exchange between stakeholders from LAC and Asia:** The planned exchange is based on the previous cooperation between ICAP and the Asian Development Bank resulting in a more comprehensive incorporation of climate-related risks in the evaluation of public investment projects in the LAC region. Due to the conceptual input, ICAP has expanded the use of risks analyses and climate change methodologies within its operations. This is why, ICAP and GIZ stipulated that an exchange of knowledge, good practices and governance mechanisms associated with risk management between Central America and the Caribbean with the Asia region, and the SNIP network is to be implemented. Through this exchange between the regions, the competences of all stakeholders involved are strengthened. This exchange program comprises a theoretical and practical part: One the one hand, knowledge is gathered, system-



ized, and widely disseminated in an English publication. On the other, technicians from both regions have access to the experiences and tools of their peers allowing for horizontal learning and improvement, ultimately, resulting in positive long-term impacts within the SNIP and the institutions to which these technicians are linked.

### *Partners of INCENTIVA*

- SNIPs of Central America and the Caribbean (Panama, Costa Rica, Guatemala, Honduras, El Salvador, Nicaragua, Dominican Republic)
- Corporación OSSO
- University of Costa Rica
- United Nations Office for Disaster Risk Reduction (UNDRR)
- United Nations Economic Commission for Latin America and the Caribbean (UNECLAC/CEPAL) in Mexico
- Council of finance ministers in Central America (Consejo de Ministros de Hacienda o Finanzas de Centroamérica, Panama y la República Dominicana, COSEFIN)
- Coordination Center for Disaster Prevention in Central America (CEPRENAC)



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