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Applied Systems Analysis
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science for global insight

Deprivations and Inequalities in Multiple Dimensions

Poverty and Disaster Risk Management

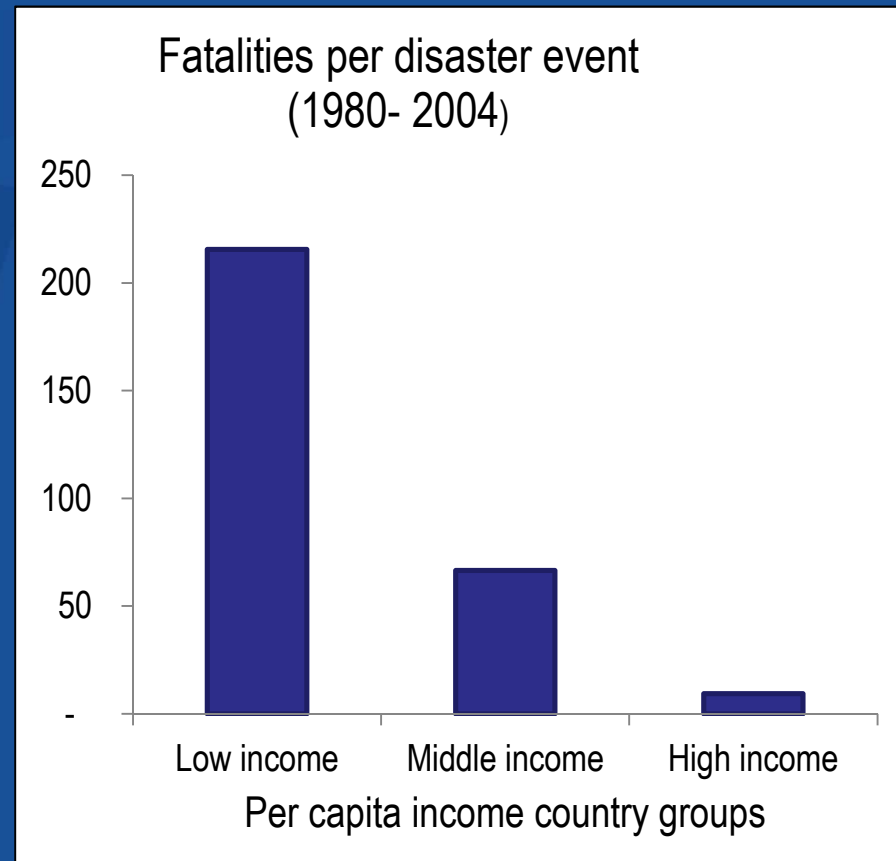
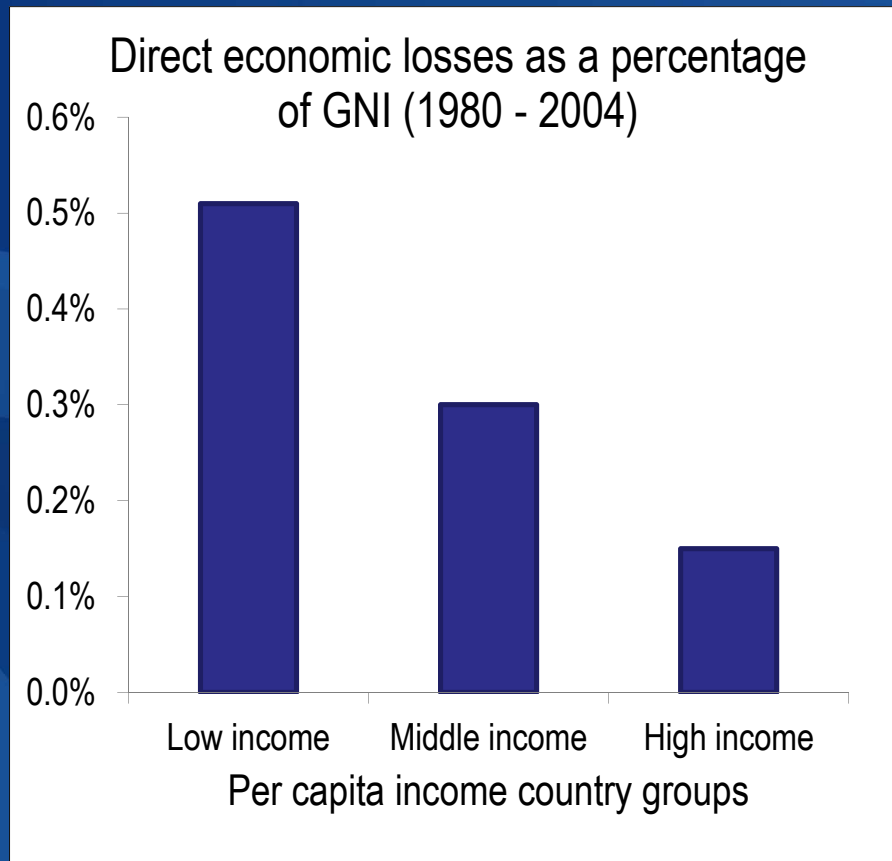
Worlds Within Reach: From Science to Policy
24-26 October 2012

Joanne Bayer



IIASA, International Institute for Applied Systems Analysis

Disaster burden is greater in developing countries



IIASA based on Munich Re data

Potentially large benefits from risk reduction in developing countries

Review of 13 benefit-cost analyses
Average B/C about 1 - 4

(Mechler 2012)

(Hochreiner, et al 2012)

96% of international disaster assistance goes to after-the-event humanitarian aid

Refocusing disaster aid

Should donors consider switching priority from post-disaster aid to supporting pre-disaster insurance and other financial instruments?

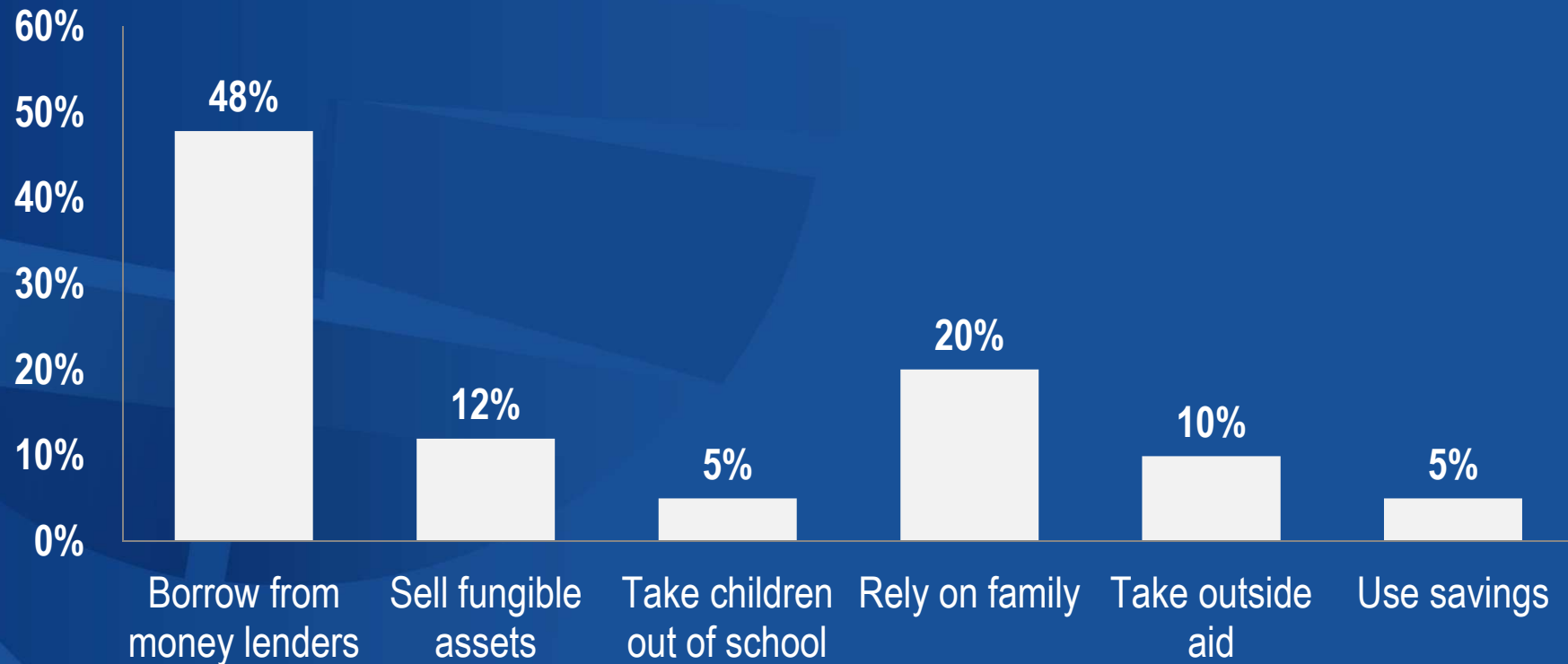
Are financial instruments needed by the poor?

Can they provide affordable safety nets?

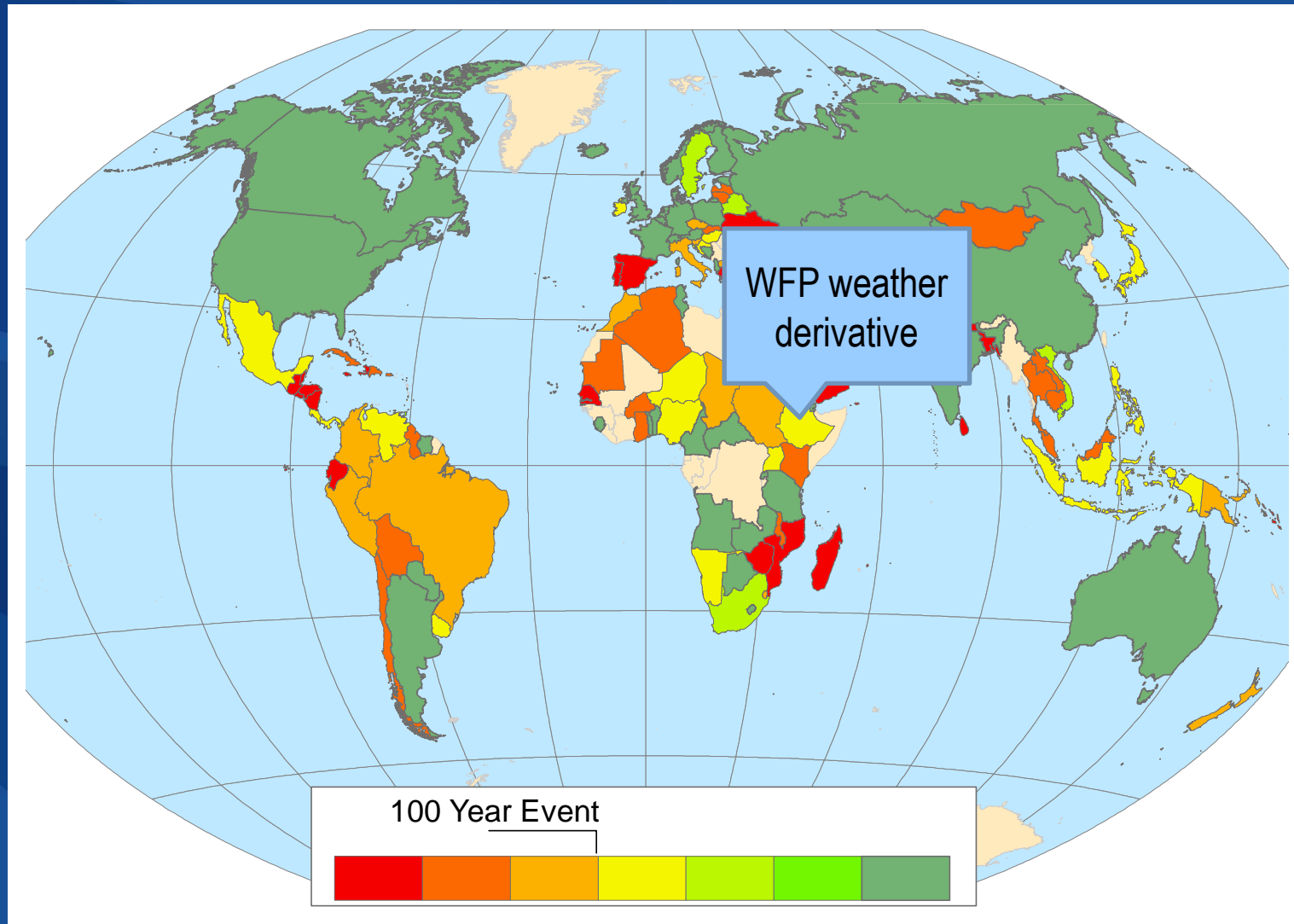


Linnerooth-Bayer et al 2005

How do farmers cope with drought and flood losses in Uttar Pradesh?



Governments can lack capacity



Mechler, et al. 2010; Hochrainer et al. 2012

Harita drought micro-insurance project



Source: CIMMYT

Payouts based on rainfall

Farmers can pay premium with off-season work to reduce drought risk

- Leverages tight aid budgets
- Reduces losses
- Provides timely and reliable safety net

Partners: Ethiopian government, Oxfam, Swiss Re, and others

Multiple Policy Domains



Message

Should donors consider switching priority from post-disaster aid to supporting pre-disaster insurance and other financial instruments?

Yes, but



Linnerooth-Bayer et al 2005

Thank you