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The Evaluation of Risks, Vulnerabilities and Response Capacity in the Mercosur Countries and Associated Country Chile

EX ANTE EVALUATION REPORT

Final Report

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EXECUTIVE SUMMARY

1. Introduction

The South American Context of Risk and Disaster

South America is exposed to natural hazards due to its topography, geology and climate. According to the study “Evaluation of Inter-American Development Bank’s Operational Policy on Natural and Unexpected Disaster”,¹ in the period of 1975-2002 South America experienced a total of \$53,84 billion US in losses arising from disaster impacts, with an average of \$1,2 billion US per year.

Disaster impacts are strongly affecting the countries’ development objectives, directly striking the population with death and deterioration of livelihoods and thus increasing poverty and social deficits, as well as affecting economic assets and flows.

This state of risk has provoked several humanitarian crises in which the international community has been called for support. The European Commission, through DG ECHO, has been regularly present in South America (except Colombia) since the “El Niño” event in 1997-1998, which generated important economic losses in the Andean Region amounting to US\$7.500 million.

This growing trend of disaster requiring humanitarian assistance is undoubtedly noted within DG-ECHO, which from the start of 1999 to March, 2006 allocated a total of €30,4 million in humanitarian aid (excluding disaster-preparedness operations) to South American countries.

ECHO’s activities in the region

Faced with this situation, DG-ECHO has adopted a two-fold strategy in the region. On the one hand, DG-ECHO responds to those emergencies where the national response capacity is exceeded by the scope of the emergency or when national authorities are unwilling to respond. On the other hand, efforts have been made to carry out participatory activities for identifying the most vulnerable areas in the countries and to prioritize the implementation of disaster preparedness projects there within the framework of the DIPECHO programme.

The overriding objective of DIPECHO is to reduce the impact of natural phenomena by better preparing the vulnerable populations in those areas most exposed to recurrent natural hazards².

In the framework of the four DIPECHO Action Plans, 57 projects have been implemented in the Andean Community since 1999 with a total budget of €17.2 million.

¹ Elaborated by the World Institute for Disaster Risk Management for the Inter-American Development Bank in 2004

² A general identification of activities funded by DIPECHO is listed in paragraph 7 of the main report.

At the present time, the European Commission's instruments of cooperation in the field of disaster risk reduction for South America, namely DIPECHO by DG-ECHO and PREDECAN by DG-RELEX, are only supporting activities in Bolivia, Colombia, Equator, Peru and Venezuela.

Given the recurrence of disasters and their impact on local populations, not only in these countries but throughout the whole of South America, ECHO decided to undertake this comprehensive ex-ante evaluation of the situation in the MERCOSUR (Argentina, Brazil, Paraguay and Uruguay) and its associated country Chile.

The regional integration context

The South American countries are currently divided into two political blocks: the Andean Community of Nations (CAN), formerly the Andean Pact, and the Common Market of the South (MERCOSUR). The Andean process was initially created by Bolivia, Colombia, Equator, Peru, Venezuela and Chile; the latter having left the organization in its early stages. Recently, Venezuela has resigned its membership to CAN, while Chile is contemplating its re-integration. MERCOSUR was created by Argentina, Brazil, Paraguay and Uruguay. In 2006, Venezuela was accepted as a full MERCOSUR member. Suriname and Guyana form part of the Caribbean Community (CARICOM).

There also exists an initiative, which is currently being considered for integrating all the South American countries within the framework of the South American Community of Nations (CSN).

2. Purpose & Methodology

The purpose of this ex-ante evaluation is to estimate the disaster probability, hazards, vulnerability and response capacity in the four MERCOSUR countries³ and associated country Chile with a view to providing a sound basis for deciding whether or not to enlarge the programming decision for the fifth DIPECHO Action Plan so as to include one or more of these countries.

In order to achieve the mission's purpose and objectives, the methodology was established in consultation with the DG ECHO⁴ and was based on the review of international and national publications and data as well as on interviews conducted during visits to the field. All five countries included here were visited as well as Peru, Equator and Bolivia for the purpose of observing relevant experiences in the Andean region.

The mission team was made up of two international experts in the fields of disaster risk management, institutional development, regional integration processes, community-based disaster preparedness methodologies and humanitarian assistance.

3 At the start of the mission MERCOSUR members were Argentina, Brazil, Paraguay and Uruguay. Since that time, Venezuela has been accepted as the fifth country with full membership.

4 For a detail description of the methodology, see chapter 2 in the main report.

The consultants were joined by the ECHO office responsible in Quito (in all countries) as well as the office responsible in Managua (for the visit to Brazil).

3. Analysis and Conclusions

The MERCOSUR/Chile region as a whole presents significant *exposure to natural hazards*. The most commonly encountered hazards are of a hydro-meteorological nature, such as floods, storm surges, coastal erosion, droughts, high winds and severe weather.⁵ The accumulation of thousands of small-scale events has a tremendous impact on human settlements, however with the exception of DesInventar, such events and the resulting impacts are not well reflected in the national and international databases.

Systematic under-reporting of events affecting low income and low Human Development Index (HDI) municipalities creates the mistaken impression that the countries in question are less subject to disasters than they, in fact, really are. For Argentina, for example, CRED's international disaster database EM-DAT lists 77 events in a period of 30 years, while the DesInventar database lists nearly 14,000 events for that same period.

Vulnerability in this region presents several common figures: strong inequalities (with the exception of Uruguay) determine spatial concentrations of socioeconomic and environmental vulnerabilities in areas with the lowest levels of human development and government and institutional capacities. Some illustrative examples are:

- In Chile, generally considered to be the most economically successful country in the region, 210 municipalities have a Human Development Index under 0,7. According to the Inter-American Development Bank (IADB) 2005 Disaster Risk and Disaster Risk Management Indicators, 10% of all Chilean municipalities are absorbing 75% of the nation's total losses from the impacts of disasters.⁶ Similarly, in Argentina 60% of the provinces have an HDI level below 0,7 and the concentration of impacts coincides with this figure.
- Regions and communities that are absorbing the majority of disaster impacts are those with lower human development indicators, the more reduced institutional capacities, and those that are least attended by governmental institutions. Some illustrative cases are the Northern region in Argentina, where 60% of its population lives below the line of poverty while 40,8% of the hydro-meteorological events are concentrated there, or the Northeast region of Brazil, where "the poorest of the poor" lives, and where the National Civil Defense reports the most important increase in quantity of disaster impacts. Among these, the most vulnerable groups are unprotected.
- Paradoxically, in the case of municipalities with lesser developed capacities, the federal structure and territorial autonomy limit direct intervention by national

⁵ A detailed analysis is presented in the respective description in the main report.

⁶ According to a representative of the Chilean Municipalities Association, although high level HDI municipalities are present, there also exist low level HDI municipalities with similar conditions to other Andean countries.

entities. Two countries with well developed NDMO confront similar situations: Brazil's Civil Defense, perhaps the best established NDMO of the region, has only supported 20% of the nation's municipalities. In Chile, ONEMI, an organization that has developed good capacities for disaster response, regards that the country's most important weakness is the low level of local organization and preparedness capacities. It is considered that only 30-35% of municipalities are currently involved in civil protection activities.

As a result of these situations, the possibilities for reducing vulnerabilities at the local level are quite limited in all the countries.

National and local coping capacities are much differentiated among the countries. A systemic approach, in which the responsibilities in terms of disaster risk reduction are shared and assumed by the different institutional, sectoral and territorial actors and authorities, is not well developed in the majority of the countries. The Brazilian Civil Protection System is perhaps the most consolidated multi-institutional structure and the only one that has, at least at the institutional level, developed a participatory approach.

Resilience and local autonomous response capacities vary considerably from one country to the next. Nevertheless, a common factor is that of the organization of Civil Defense/Protection local structures: none of the countries has even reached 50% of their municipalities with at least a local committee and a basic local preparedness plan.

The integration of disaster risk reduction as part of national development agendas does not seem to be a consolidated situation. This is evident in terms of the governmental priorities for investment and policy making, as well as in their dialogue with the international community. The observed trend is still to consider disaster risk management as a "problem" of the specialized institutions (NDMOs).

The impact of disasters on the development agendas, the way these disasters affect the countries' expectations for competitiveness and the indicators included in the Millennium Goals are evidently still not adequately considered or are not considered at all.

A ***regional approach to disaster exposure and disaster risk management*** is almost nonexistent for this ensemble of countries. In general, although some specific coordination does take place among neighbouring countries, it is not however generated in the context of MERCOSUR regional initiatives. On the other hand, these countries do participate, to a certain extent, in CAN/CAPRADE activities and in international disaster risk reduction platforms.

One key fact that must be noted is that the regional dimension of risk is valid in a multinational context that does not necessarily coincide with the MERCOSUR area. It could be expressed more in trans-boundary terms or even in a broader (South American) context.

In terms of **the possibility to enlarge DIPECHO's programming** to this region, the mission considers it highly pertinent to support these countries in disaster risk management activities in a coordinated fashion by the External Services of the

Commission⁷ and DG-ECHO (the latter through the DIPECHO program). The main elements for this assertion are:

- The sustained increase of vulnerability and disaster impacts is affecting the countries development process and their more fragile sectors of the population.
- The increasing need for humanitarian assistance implies a redirection of national and local resources and budget allocations from regular budgetary assignments that could otherwise be used for more long-term developmental needs.
- The serious limitations that the national disaster management organizations are facing for supporting local capacities for risk reduction and disaster response.
- The clear recognition of this state of affairs as expressed by national authorities in all the countries.
- The precedent of two declared humanitarian crises (in Argentina and in Brazil), both involving interventions by ECHO, along with the present situation of increasing risk and disaster impacts in low resilient communities will certainly imply greater demand for humanitarian assistance if proper actions are not taken.
- The existence of concrete themes in the *EC Country Strategy Papers*⁸ that could be regarded as directly related to the objectives and lines of action of the Hyogo Framework for Disaster Risk Reduction.

All of the national disaster management organizations have expressed their *willingness* to develop international cooperation activities oriented towards reinforcing local capacities. Moreover, the mission confirms the existence of a concrete demand for support from the DG-ECHO to Civil Defense/Protection authorities in all the countries visited.

In terms of *viability* for implementation, the existence of potential DIPECHO partners is fundamental and the absence of such partners could constitute a serious constraint, even in countries where priority areas could be easily identified.

During the visits, the mission took note of the presence of some international NGOs as well as of United Nations organizations such as UNDP and PAHO. There are also Red Cross National Societies present in each of the countries, as well as the International Federation of the Red Cross at the regional level. In this light, the Red Cross has a unique presence in both the national territories and the region which could be exploited. In Brazil, the presence and experience of OXFAM and Catholic Relief Services is also noteworthy.

In principle, *priority* should be given to areas identified in the main report as the more affected and less resilient (see conclusions and recommendation in each country description). Nevertheless, the juxtaposition of different criteria, such as viability, political disposition of the local authorities and potential impact of projects involving demonstrative activities, should provide for greater accuracy in the identification of

⁷ External services refers to DG RELEX and AIDCO

⁸ Draft CSP available in May 2006

priorities. The lack of adequate institutional capacities, for example, in Paraguay and Uruguay leads us to consider that both these countries could be regarded as priority.

One key aspect to be considered is the potential *added value* that enlarging DIPECHO's programming to these five countries could represent for all the countries. During the mission, in the interviews carried out with national authorities of Andean countries (Bolivia and Peru) and with the Secretariat of CAN, it was expressed that the participation of the MERCOSUR countries could present concrete advantages in terms of institutional exchange, sharing of experiences and know-how, and enlarging the regional and trans-boundary approach to risk management.

4. Recommendations

Considering the growing risk conditions in the region and the lack of currently available options for increasing the resilience of the most vulnerable, poor and segregated communities and groups in the present context, we fully recommend the extension of the DIPECHO programme to the MERCOSUR/Chile region.

An integrated approach and strategy by the DG-ECHO and external services of the Commission⁹ is strongly recommended. A point of departure could be the identification of potential relationships and contributions between the Country Strategy Papers¹⁰ (CSP) and the Hyogo Framework for each country. For the purpose of illustration, we present the following two examples:

- The proposed CSP in Brazil includes aspects of *land-use planning and sustainable production* which could be considered directly related to the Hyogo objective of *(r)educing the underlying risk factors – environmental and natural resources management*.
- The proposed CSP in Argentina includes, under the priority area of education, the *(i)ntegration of cross-cutting issues in which special attention would be given, whenever possible and appropriate, to the most disadvantaged areas of the country with a view to generating stable employment opportunities for vulnerable sectors of the population*.

Promotion and support of a MERCOSUR regional dialogue regarding the development of an institutional approach to disaster risk reduction is also recommended. The presence of a UNESCO regional office in the MERCOSUR Secretariat, with a very appropriate level of expertise and knowledge of the theme, could present a good opportunity in this regard.

At the field level, ECHO's Quito office should complete this analysis in close coordination with the Delegations.

The preceding conclusions lead us to describe two possible scenarios that should be considered for any eventual new programming of DIPECHO:

⁹ External services refers to DG RELEX and AIDCO

¹⁰ Draft CSP available in May 2006

- The launching of an integrated South American Action Plan
- The continued support to the Andean countries along with the launching of a separate and new MERCOSUR action plan.

Given the current situation surrounding the regional processes in South America, the mission recommends the first of these two scenarios.¹¹

Some options and possibilities for action:

a. Supporting regional projects in homogeneous areas, such as:

- Integrated projects in drought areas of the Gran Chaco (Bolivia, Paraguay and Argentina). The project currently being developed by CARE in Bolivia could provide important examples and orientations for a trans-boundary extension of operations;
- Projects in the BOPEBRA triangle (Bolivia, Peru and Brazil) could be identified in concordance with the ongoing coordination actions developed by these same countries;
- Flooding preparedness projects in the Plata River basin (Argentina and Uruguay);
- Support to the development of integrated information databases, preferably DesInventar, and to the systematization of relevant information, for which the experience of the Regional Disaster Information Center for Latin America and the Caribbean (CRID) could prove valuable.

b. Integration of MERCOSUR countries into the current Andean Program

Given the European Commission's experience in the Andean region, which includes a good relationship with CAPRADE and CAN – both ECHO/DIPECHO and RELEX/PREDECAN – the addition of high priority countries within pre-existing platforms of coordination and project implementation could help simplify operations and assist in the establishment of priorities.

5. Main recommendations per country

Argentina

- Support the development of the CBDP approach through the implementation of a project involving demonstrative activities in the Santa Fe province.
- Support the promotion of a new legal framework for disaster reduction.
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Brazil

- Support the development of local activities in priority communities in the Northeast Region's state of Pernambuco, as proposed by to the State Civil Defense Coordination (CEDEC).

Chile

¹¹ See a detailed analysis of “in favour” and “against” considerations for both scenarios. In this executive summary only that option being recommended by the consultants is presented.

- Support the establishment of joint activities between ONEMI and the Chilean Red Cross for identifying priority communities in the Bío Bío, Araucanía and Los Lagos regions.

Paraguay

- Identify a pilot program for flooding preparedness and early warning.
- Support consciousness-raising activities among the municipal authorities and develop technical capacities at this level.
- Support the Paraguayan Red Cross in order to strengthen its capacity for promoting CBDP activities.

Uruguay

- Support the development of CBDP approach within the National Emergency System, preferably through the coordination between the Red Cross National Society and departmental and national civil protection authorities.