Disaster Risk Reduction for Financial Service Providers: Promising Practices for Building Resilience
The SEEP Network

SEEP is a global learning network. We support strategies that create new and better opportunities for vulnerable populations, especially women and the rural poor, to participate in markets and improve their quality of life.

Founded in 1985, SEEP was a pioneer in the micro-credit movement and helped build the foundation of the financial inclusion efforts of today. In the last three decades, our members have continued to serve as a testing ground for innovative strategies that promote inclusion, develop competitive markets, and enhance the livelihood potential of the world's poor.

SEEP's 120 member organizations are active in more than 170 countries worldwide. They work together and with other stakeholders to mobilize knowledge and foster innovation, creating opportunities for meaningful collaboration and, above all, for scaling impact.

For more information, visit www.seepnetwork.org or follow us on Twitter @TheSEEPNetwork

Disaster Risk Reduction Program

The SEEP Network's global Disaster Risk Reduction (DRR) Program, seeks to promote more resilient financial services markets in which financial service providers (FSPs) and their clients have the capacity to better predict, cope and recover from the negative impacts of disasters. In the program, SEEP works to promote the topic of DRR for low income financial services markets at several global industry events and through a learning platform featuring case studies, webinars, peer discussions and an online DRR resource library.

Our Partner

Citi Foundation

CitiFoundation

This program has been co-designed and is funded by the Citi Foundation. The Citi Foundation works to promote economic progress and improve the lives of people in low-income communities around the world. They invest in efforts that increase financial inclusion, catalyze job opportunities for youth, and reimagine approaches to building economically vibrant cities. The Citi Foundation's "More than Philanthropy" approach leverages the enormous expertise of Citi and its people to fulfill its mission and drive thought leadership and innovation. For more information, visit www.citifoundation.com

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Introduction

What is this Guide and Toolkit

This guide and toolkit was developed for facilitators working with Financial Service Providers (FSPs), their clients and relevant stakeholders. Its aim is to promote promising practices related to Disaster Risk Reduction (DRR) and spark changes in practices among FSPs, NGOs, government entities, humanitarian and development practitioners.

It is designed to:

- share knowledge on global promising practices in DRR and allow for local knowledge/experience-sharing and networking, and
- to start or improve collaborative actions between FSPs, their clients and other key stakeholders.

A key message is the need for **FSPs to build their resiliency to withstand shocks and, in turn, create resilience at the client level by placing clients at the center of DRR operational practices.**

For more information on the development of the curriculum see **Briefing Sheet 1: Resilient FSPs, Resilient Clients**

How to Use the Guide and Toolkit

The curriculum has five modules. Depending on the audience and the time available, these modules can be mixed and matched by the facilitators to create a custom experience. Sample workshop agendas are included in the toolkit.

The workshop is a mix of theoretical and practical exercises. It is based on the case studies, webinars, peer discussions and an online DRR resource library developed by the SEEP Network’s global DRR Program. It offers an overview of the state of the practice and is based on real-world experience and documented learning.

The workshop can be hosted by any organization or agency. A co-hosting approach between two organizations can help ensure diversity in the invitation list and build relationships across sectors. Hosts are responsible for finding a venue for the workshop, promoting the workshop, curating a list of attendees, sending invitations and tracking attendance. They will also offer input to on adjusting for context and tailoring the activities for the audience. Finally, hosts will take part in opening, closing, and evaluating the workshop.
Overview of the Curriculum
The curriculum includes an introductory module, three technical modules and a closing module:

<table>
<thead>
<tr>
<th>Module</th>
<th>Learning Objectives</th>
</tr>
</thead>
</table>
| **Module 1**  
Introduction and Knowledge Sharing | • Welcome, training objectives, ice-breaker and networking  
• Understand how each organization sees their own risks and their clients’ risks  
• Share experiences and current risk mitigation practices |
| **Module 2**  
DRR Background, concepts and country-specific context | • Discuss and reflect on disaster risk reduction concepts and terminology  
• Find linkages between hazards, exposure to hazards, vulnerability to hazards, and organizational capacity as determinants of the level of disaster risk |
| **Module 3**  
Applying Promising Practices along the Disaster Risk Management cycle | • Recognize the relevance of integrating disaster risk reduction strategies into business planning to ensure resiliency and sustainability at client, community and institutional levels  
• Share information and knowledge about disaster risk reduction best practices among a diverse group of stakeholders |
| **Module 4**  
Disaster risk mapping and impacts on FSPs and their clients | • Gain experience developing participatory and collaborative partnerships among all relevant stakeholders to further support development of DRR strategies and approaches across sectors |
| **Module 5**  
Global Lessons Learned and Workshop Reflection | • Present case studies to reinforce workshop learning e.g. DRR lessons learned from the Middle East  
• Discuss key takeaways and ideas for implementing DRR strategies  
• Feedback on the workshop, evaluations and closing |

Each module has:
- a sample facilitation (session) plan with approximate times
- a materials list
- key learning objectives
- handouts and informational sheets that offer technical details on each topic
- References to the relevant PowerPoint slides in the DRR Curriculum PowerPoint.pptx
Other Resources in the Guide

A **Power Point Presentation** (DRR Curriculum PowerPoint. pptx) to be adapted by facilitators.

**Briefing Sheets** for each module that include relevant technical information, facilitator notes from the PowerPoint slides and other reference materials. The Briefing Sheets are also used as handouts in some sessions. They can be useful as pre-reading material that can help orient participants to the topic.
Sample Agendas

As the training is modular, each of these options can be adjusted based on time and training participants’ needs. In the full day agenda below, estimated minimum times are given for each module. Facilitators should build in breaks and meals where it makes the most sense. However, if Module 5 is left off, facilitators should develop a brief closing and then use Evaluation Survey, a sample of which is provided in this toolkit.

**Full Day Training for a mixed group of FSPs, NGOs, Government and other stakeholders**

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 minutes</td>
<td>Registration and Networking (refreshments provided)</td>
</tr>
<tr>
<td>10 minutes</td>
<td>Welcome and Opening Remarks from the Host</td>
</tr>
<tr>
<td>30 minutes</td>
<td><strong>Module 1: Introduction and Knowledge Sharing</strong></td>
</tr>
<tr>
<td></td>
<td>• Housekeeping, Ground-rules Agenda, and Objectives (10 minutes)</td>
</tr>
<tr>
<td></td>
<td>• Self-introductions at each table; guided questions about institutional</td>
</tr>
<tr>
<td></td>
<td>experiences with DRR (20 minutes)</td>
</tr>
<tr>
<td>90 minutes</td>
<td><strong>Module 2: Introduction and Knowledge Sharing</strong></td>
</tr>
<tr>
<td></td>
<td>• Presentation: DRR Background and Policy (15 minutes)</td>
</tr>
<tr>
<td></td>
<td>• Group Work: Group discussion and report out on concepts and examples;</td>
</tr>
<tr>
<td></td>
<td>formal definitions of DRR concepts (60 minutes)</td>
</tr>
<tr>
<td></td>
<td>• Presentation and reflection on hazards, vulnerability, exposure, and</td>
</tr>
<tr>
<td></td>
<td>disaster risk in (name of the country) context (15 minutes)</td>
</tr>
<tr>
<td>120 minutes</td>
<td><strong>Module 3: Applying Promising Practices along the Disaster Risk Management Cycle</strong></td>
</tr>
<tr>
<td></td>
<td>• Four Phases of the disaster risk management cycle: 1) prevention and</td>
</tr>
<tr>
<td></td>
<td>mitigation, 2) preparedness, 3) response, 4) recovery, rehabilitation</td>
</tr>
<tr>
<td></td>
<td>and reconstruction. Group definitions of each phase followed by small</td>
</tr>
<tr>
<td></td>
<td>group discussion and sharing of promising practices, products and</td>
</tr>
<tr>
<td></td>
<td>strategies (20-25 minutes to present and discuss each phase in small</td>
</tr>
<tr>
<td></td>
<td>groups).</td>
</tr>
<tr>
<td></td>
<td>• Large group reflection on results of discussion (20 minutes)</td>
</tr>
<tr>
<td>90 minutes</td>
<td><strong>Module 4: Disaster Risk Mapping and Impacts on Financial Service Provision</strong></td>
</tr>
<tr>
<td></td>
<td>• Presentation: DRR Mapping and Risk Mapping Report carried out by IFMR in</td>
</tr>
<tr>
<td></td>
<td>India (10 minutes)</td>
</tr>
<tr>
<td></td>
<td>• Group Instructions for mapping activity (10 minutes)</td>
</tr>
<tr>
<td></td>
<td>• Group Activity: Risk Mapping for FSPs (40 minutes)</td>
</tr>
<tr>
<td></td>
<td>• Mapping Tour Including FSP linkages (30 minutes)</td>
</tr>
<tr>
<td>60 minutes</td>
<td><strong>Module 5: Lessons Learned, Key Takeaways and Workshop Reflection</strong></td>
</tr>
<tr>
<td></td>
<td>• Presentation: Lessons Learned from the Middle East: Vitas Group -</td>
</tr>
<tr>
<td></td>
<td>Lebanon, Iraq and Palestine (10 minutes)</td>
</tr>
<tr>
<td></td>
<td>• Key takeaways and participants’ next steps for implementing DRR</td>
</tr>
<tr>
<td></td>
<td>strategies (20 minutes)</td>
</tr>
<tr>
<td></td>
<td>• Open feedback on the workshop (15 minutes)</td>
</tr>
<tr>
<td></td>
<td>• Evaluation forms (10 minutes)</td>
</tr>
<tr>
<td></td>
<td>• Closing remarks (5 minutes)</td>
</tr>
<tr>
<td></td>
<td>Workshop Ends (Dinner or refreshments can be provided)</td>
</tr>
</tbody>
</table>
Alternately, facilitators can spread the workshop out over a day and a half, allowing adjustment for adjustments based on the audience and participants’ interests.

For example, for a training with FSP professionals who are familiar with DRR, more time may be spent on Module 3, with discussions on practical activities within the risk management cycle. However, with an audience newer to DRR, more time might be spent on Module 4 and understanding the more general picture of risk mapping. Again, the modules should be selected and adjusted based on time, audience and learning goals.

Customized Workshops

Modules can be combined in different ways to allow for custom workshop content targeted at specific audiences.

**Workshop for Diverse High-Level Professionals within the FSP sector**

**Modules 1, 2 and 3**
Technical staff from donors, government officials, NGOs, humanitarians, mobile network providers, and FSP professionals who are new to DRR or who work on a 30,000 ft level

**Workshop for DRR professionals**

**Modules 1, 3 and 4**
DRR professionals who are working with FSPs, or have been directed by their FSPs to develop DRR plans

**Workshop for FSP professionals**

**Modules 1, 2, 3 and 5**
FSP staff from institutions including banks, MFIs, Savings and Loan cooperatives, remittance companies, and insurance companies

Facilitator Profile, Target Audience and Adapting for Context

The **Facilitator** should have a background in DRR Microfinance risk management and business continuity planning for MFIs.

They should have experience with adult learning styles and techniques and keep the sessions practical and based in participants real-world experience.

The **Target Audience** should be defined by the organization(s) hosting the training and can include:

- FSPs including banks, microfinance institutions (regulated and non-regulated, mainly tier 2 and tier 1\(^1\))
- Savings and loans cooperatives
- Mobile network operators
- Remittance companies
- Insurance companies
- Local and international NGOs with financial inclusion programming
- Policy makers and government entities that regulate FSPs and/or set financial inclusion policies
- Government and municipal DRR action planning personnel
- Humanitarian and development practitioners active in crisis response

When **Adapting for Context**, keep in mind that most of the content and materials will be cross-cutting and applicable in multiple geographies, but there will need to be significant changes and adjustments. Where there is a specific need to adjust to context it is indicated in the Training Module.

However, the facilitator can also adjust the examples, and may need to do some research to link the subject matter to the lives and professional context of participants. For example, in a landlocked country, referring to coastal natural hazards (tsunamis, hurricanes/cyclones, sea level rise, among others) will not add value to participants, as they will not be able to relate their experience with those types of hazards. **Bibliography** as well as the host organization, can offer resources.

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\(^1\) Tier classification according to the MicroRate-CGAP definition:

(i) Tier 2 - Small or medium sized, slightly less mature MFIs that are, or are approaching, profitability, with asset size between US$ 5 million – US$ 50 million;

(ii) Tier 1 - Mature, financially sustainable, and large MFIs that are highly transparent, with asset size of more than US$ 50 million.

Tips for Good Facilitation

Working with adult learners is a skill, and helping professionals improve their practice depends on the quality of the facilitation.

Good Facilitators

- Listen closely and attentively.
- Enter sessions organized and well prepared.
- Understand the topics discussed
- Communicate ideas clearly and succinctly.
- Encourage mutual respect and understanding.
- Maintain group order and decorum.
- Build on participants’ ideas and comments, making connections with earlier statements and ideas discussed.
- Encourage group discussion and participation among all members.
- Remain open to feedback.
- Make all group members feel valued and accepted.
- Examine and make allowance for their own biases.

Adapt the Training to Participants’ Context

Working with host organization(s), you should shape how you plan your program and the content you include. You should adapt the tone and content to the participants level of understanding as well as the context they work in. This can be the most crucial step in the facilitator’s preparations.

The following are options for how to adapt the curriculum to the local context and culture:

- Research the cultural context, disaster risks, existing DRR policy, and the state of the financial service sector
- Research the geographic and conflict profile of the participant’s country or region.
- Use practical examples and case studies that are relevant and meaningful to the context and specific participant group.
- Work with the hosts in advance to develop the training material and use recent experiences from participants’ professional lives.

Adapt the Training to Participants’ Professional Level and Language Abilities

Think about how fluent and literate your participants are in the language in which you deliver the training and the terms you plan to use. Is it necessary to translate materials into local languages and/or offer translation? Will you need to review definitions and technical terms? If so, activities will need more time than specified.
Establish Ground Rules

“Ground rules” should be set early in a workshop and will help participants respect each other and foster collaboration. These rules can be simple, such as allowing a colleague to finish speaking before contributing your ideas. They could also outline procedures for making decisions and sharing information. Participants can propose changes or additions to the ground rules during the training.

Create Space for Personal/professional Stories

When bringing together a diverse group, asking individuals to share their experience can help rebuild a sense of shared understanding and respect in new groups. These experiences will also drive the discussion on context and applying new learning.

Find Common Ground

When facilitating a group from diverse backgrounds and professional perspectives, emphasize their commonalities. The most obvious is a mutual interest in attending the workshop. Introductions and energizers are opportunities for people to find common ground. Though you want to emphasize commonalities, be sure to not diminish the diversity in the room as well. Different genders, ages, and other perspectives can be valuable to understanding the dynamics within a society.

Pay Attention to the Environment

The physical space for a workshop can have an immense impact. Take the time to arrange the room in a way that is conducive to small group work. To create a more intimate atmosphere, position participants around several round tables instead of one large table. Make sure each table is full and that the group is not fragmented. Consider holding breakout sessions in separate rooms for a change of scene. Try to conduct sessions in a space with natural lighting so participants feel less confined.

Ensure the right materials are available to the participants and at hand for your facilitation.

Use Games and Energizer When Needed

Every group is different. Sometimes energizers are great. Sometimes they interrupt the flow or take too much time. However, at some point, you will likely want to have one, especially if you have a full training day. As a part of your planning, make sure you have three or four fun and culturally appropriate energizers. You can throw them in when you see focus and energy lagging or ask participants if they want to play a game. Another technique is to ask the participants to lead a game, song, or energizer they know and like with the group. This gives them a way to take part, will make sure it is culturally relevant and can be a lot of fun. The website below has some classic energizers, or use your own.

https://www.aidsalliance.org/assets/000/001/052/ene0502_Energiser_guide_eng_original.pdf?1413808298
Possible Room Set Up and Materials List

Figure 1: Room Set Up

- **ROOM CHARACTERISTICS:**
  - Large enough to allow the distribution of five working tables
  - Flexible to move chairs, tables, flip charts/white boards, etc.
  - Allow participants to move and stand around

- **EACH WORKING TABLE:**
  - Comfortable seating for six people at each table
  - Power strip and extension cords
  - Flip chart or white board

A Guide to Understanding the Icons

Read through the entire manual at least once before using it. Review and customize the PowerPoint, and get familiar with the information in the Briefing Sheets.

Users will notice six icons used throughout the guide to help them better navigate the manual.

- The learning objectives
- The time needed (This is the suggested minimum time needed for each activity, as noted in the sample agenda. Adjustments should be made as needed.)
- Materials needed on hand during the workshop
- Key messages to be covered by the facilitator
- PowerPoint Slide reference
- Activities conducted by participants in small groups
Module 1

Introduction and Knowledge Sharing

Learning Objectives:

- Review the agenda, housekeeping, ground rules
- Introductions
- Share experiences dealing with disasters and their impacts
- Explore and record the differing organization's degree of preparedness to cope with disasters.

Time: 30 minutes

Materials Needed:

- Copy of Exercise One: Integration of DRR in Your Organization for each participant distributed at each table, updated with the name of the country
- Copy of the Adapted Agenda for each participant, outlining the modules covered, timing and any meals/breaks
- Pens for each participant
- Flip chart and markers for facilitator
- Projector and adapted PowerPoint "DRR Curriculum PowerPoint.pptx" Slides 1-4

Key Messages:

- We will all understand our objectives, be comfortable in the space and establish a way to work together supportively
- There is a wealth of experience in the room, both technically and contextually, and it is important we begin with that.
Facilitation Steps

Welcome, Introduction, Housekeeping, Ground Rules, Agenda and Objectives

Time: 30 minutes

Project Slide 1: Title Slide

Welcome participants and thanks them for attending. Introduce yourself and the host organization(s).

Let participants know you will be starting the exercise on their tables shortly, but will first go over the Housekeeping, Objectives, Agenda, and Ground Rules.

Review the space (bathrooms, food situation, Wi-Fi, parking), or other logistics as needed.

Present your list of ground rules (write them on the flip chat as you present or add them to your PowerPoint). They could include:

- Arriving on time from breaks/meals
- Silencing cell phones and computer alerts
- Leaving the room only for critical reasons
- Respecting other's knowledge and the different perspectives in the room

Ask if participants have any to add and, if so, note them. If not, move on quickly.

Project Slide 2: Workshop Objectives

Review the modules you will cover in this training and the overall objectives of each module.

Use the notes provided under Slide 2 and add any relevant the information from Briefing Sheet 1: Resilient FSPs, Resilient Clients. This sheet could also be shared as a handout or a pre-read for participants.

Ask if anyone has questions, comments or additions to make.

Take notes on a flip chart as participants speak. When you have a decent list and at least 3-4 people have contributed, you can thank everyone for their thoughts and let them know that this will help ensure that objectives are met during the workshop.

Explain that if there are any expectations that will clearly not be able to be met with the agenda presented, you will note them down for the host organizations’ future training plans.
Project Slide 3: Workshop Agenda

Review the Agenda as you have adapted it. Make sure to show any breaks or mealtimes. Address any outstanding questions on housekeeping, ground rules, objectives or agenda.

Ice-Breaker:
Learning About the Integration of DRR in our Organizations

Small Group Activity

Time: 20 minutes

Project Slide 4: Introduction and Knowledge Sharing

Pass copies of Exercise One (on page 13) to each table. Tell participants they will be working with the others already seated at their table. Ask them to take a few moments to read it over and then begin with their introductions.

Explain that they can choose to discuss the different question prompts, but should not feel like they must get to them all.

Ask participants to ensure that anyone who wishes to speak at the table finds space to do so.

Let everyone know that there will be no reporting back to the larger group.

At the end of the 15 minutes, give a 5-minute warning and ask the participants to wrap up their last discussions.

When the time is done, or if conversation is winding down early, transition to the next module.

Transition

SAY: “As we come back together, I hope the conversations were interesting. While there is not a report back, the time spent explaining your own work and learning about others will help guide your thinking in the modules to come. Your knowledge and experiences are critical parts of this workshop and will always play a vital role.”
Exercise One: Ice-Breaker
Integration of Disaster Risk Reduction (DRR) in Your Organization

Small Group Activity

At your table, please verbally introduce yourselves:

- Name
- Institution
- Role

After introductions, please discuss the following:

- Given that <insert country> is a country highly prone to natural-hazards (and possibly to man-made hazards) please consider and discuss the following questions:
- Has your organization integrated DRR into its strategic, business, operational and financial planning?
- Has your organization developed, implemented, tested, evaluated and updated a business continuity plan, contingency plan, response plan and/or recovery plan?
- How important do you think a. and b. are for the long-term sustainable performance of your organization?

From your organization’s experience dealing with disasters and their impacts:

- How resilient has your organization shown to be? How do you define resiliency for your organization?
- What do you think are the lessons learned and key success factors for coping with adversity (becoming more resilient)?
- What actions/measures can financial service providers put in place to reduce the impact of unforeseen disastrous events on their loan portfolio, liquidity and solvency?
Module 2

DRR Background, Concepts and Country-Specific Context

Learning Objectives:

- Learn, discuss, reflect on disaster risk reduction concepts and terminology.
- Identify linkages between hazards, exposure to hazards, vulnerability to hazards, and capacity as determinants of the level of disaster risk.

Time: 90 minutes

Materials Needed:

- Paper and Pens for each participant
- Flip chart and markers for facilitator
- Projector and adapted PowerPoint “DRR Curriculum PowerPoint.pptx” Slides 5-17. See the Preparation Tip on page 17 for more details.

Key Messages:

- The Sendai Framework for DRR 2015-2030\(^2\) and the Minimum Economic Recovery Standards (MERS)\(^3\) provide definitions for DRR and illustrate why it is important at the international level.
- Introduce terminologies and concepts from the United Nations Office for Disaster Risk Reduction (UNISDR)\(^4\) considered essential to understand disaster management and risk reduction, which are often not adequately understood and referenced in the field.
- Apply these concepts to the specific country/context where the workshop is taking place. Present an example using case studies, research, maps and publicly available information to show how to determine the level of disaster risk.

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\(^4\) Definitions of concepts are taken from the following source: UNISDR. 2 February 2017 (http://www.preventionweb.net/english/professional/terminology) accessed September 24, 2017.
Background Resources for Trainers

- United Nations Office for the Coordination of Humanitarian Affairs (OCHA, www.unocha.org)
- United Nations Office for Disaster Risk Reduction (UNISDR), Prevention Web www.preventionweb.net

PREPARATION TIP

For this module’s final activity, you will need to prepare a presentation on DRR in the country where you are presenting, or, if that is not appropriate, another relevant context.

Facilitators should conduct research from primary or secondary sources (specialized international organizations, Government institutions, Universities, Research Centers, among others) to understand the types of hazards that the country is exposed to, and the degree of exposure, vulnerability and coping capacity to those hazards that characterize the country. The use of maps is highly recommended, as they allow participants to quickly build a mental image of the reality they face.

Some international organizations have specialized in developing an extensive number of maps for different regions/countries worldwide, and support the monitoring of disaster risks by constructing annual risk indexes that allow for comparison over time. Use the resources in the Background Resources for Trainers as a place to start.

The information prepared for the country-specific context for the pilot workshops conducted in Nepal and the Philippines is presented in Briefing Sheet 3: DRR in Nepal and Briefing Sheet 4: DRR in the Philippines as examples of the sort information to present about the country you are in.
Facilitation Steps

DRR Background

Time: 10 minutes

**Project Slide 5: DRR Background, Concepts and Country-Specific Context**

Explain that this module is a mix of discussion, information sharing, a group exercise and a practical exercise where they will apply what they learn to their own country and situation.

**SAY:** "The module will begin with some DRR background and policy, followed by a group exercise where we will discuss DRR key concepts (disaster, hazard, exposure, vulnerability, capacity, disaster risk, resilience), and provide examples. We will then work in plenary to arrive at internationally accepted concept definition relevant to you. To close the session, we will apply these DRR concepts to our specific country and I will give a detailed example."

**Project Slides 6-8: DRR Policy Background**

Use the facilitator notes under Slides 6-8 (DRR Policy Background) in the PowerPoint to discuss the general goals of DRR, the Sendi Framework and the MERS and their relationship to DRR for FSPs. Copies of these notes are in the reference box below.

**Disaster risk reduction (DRR)**

DRR is aimed at preventing new and reducing existing disaster risk, as well as managing residual risk, all of which contribute to strengthening resilience and therefore to the achievement of sustainable development.

DRR is the policy objective of disaster risk management, and its goals and objectives are defined in disaster risk reduction strategies and plans.

- This contributes to strengthening resilience (economic, social, health and environmental) and achieving sustainable development (by means of reducing disaster losses).
- Goals and objectives of DRR are defined in strategies and plans at local, regional and national levels and in multilateral policies and agreements.

**Sendai Framework for DRR 2015-2030:**

Voluntary global agreement on DRR where the States have the primary role to reduce disaster risk, though there exists a shared responsibility between the local government, the private sector and other stakeholders.

The expected outcome for year 2030 is: "The substantial reduction of disaster risk and losses in lives, livelihoods and health and in the economic, physical, social, cultural and environmental assets of persons, businesses, communities and countries."

**Minimum Economic Recovery Standards (MERS)**

The MERS articulate the minimum level of technical and other assistance to be provided in promoting the recovery of economies and livelihoods affected by crisis. It has six technical areas that are interdependent on one another for providing comprehensive relief and humanitarian assistance. These standards offer tools for government departments, humanitarian agencies, inter-governmental organizations, and local populations to enhance the effectiveness and quality of the economic assistance offered, and thus make a significant difference in the lives of the people affected by disasters.

The MERS defines disaster risk reduction as: "The concept and practice of reducing the risk of disaster through systematic efforts to analyze and manage causal factors. It involves reducing exposure to hazards, lessening the vulnerability of people and property, managing land and the environment wisely, and improving preparedness for adverse events."

**Transition**

**SAY:** "Now, we will work in small groups together to build out the key concepts and terms of DRR: Disaster, Hazard, Exposure, Vulnerability, Capacity, Disaster Risk, and finally, Resilience."
Key Concepts and Terms: Small Groups

Small Group Activity

Time: 20 minutes

Project Slides 9-16: DRR Concepts and Terms

Project Slide 9: DRR Concepts and Terms
Ask participants to stay at their tables, as these will be their working groups. Make sure there are pens and paper available.

*SAY:* "Each of you brings your experience and understanding of the key terms outlined on the slide: Disaster, Hazard, Exposure, Vulnerability, Capacity, Disaster Risk, and finally, Resilience."

"In your groups, spend the next 15 minutes discussing these terms and developing a brief definition and relevant example for each one. Don’t work too hard to perfect them, and make sure you talk about each term on the list."

"Before you begin, make sure to choose someone to record the brief definitions and examples, as well as someone who will be able to briefly share your thoughts with us in plenary when we are done discussing."

Give an example of what you are looking for in a brief definition and example, so that the participants know what is expected. You can use the example below or develop your own.

<table>
<thead>
<tr>
<th>Vulnerability Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical, social, economic and environmental factors or processes which increase the susceptibility of an individual, a community, assets or systems to the impacts of hazards. In other words, set of characteristics and circumstances of a community, system or asset that make it susceptible to the damaging effects of a hazard.</td>
</tr>
</tbody>
</table>

**Example from Nepal:**
Nepal shows widespread differences between districts in terms of social structure, economic development, infrastructural development, basic life services and access. Districts in central and eastern regions are more developed than the districts in western regions. In addition, facilities are concentrated in urban centers of Kathmandu valley and southern Indo-Gangetic plains. Interventions are required to tackle the very high to high vulnerability status of districts in the western region which has been identified as potential hotspot of future mega-earthquake, famine and epidemics. [Reference: Briefing Note 3]

Answer any questions about the activity. Make sure the participants know that you will be circulating the room as discussions are happening to answer questions and facilitate the group work as necessary.

Give the groups a 5-minute warning. Make sure they come back together after 15 minutes.
Transition

"There were some really good discussions, but now let’s come back together and learn from each other. I will be asking each of the groups to share one or two of the definitions and examples they came up with, and we will be talking about how they fit in with the technical definitions in the field of DRR."

Key Concepts and Terms: Plenary

Time: 40 minutes

Project Slides 10-16: DRR Concepts and Terms

Choose a group (can be random or based on your judgment after circulating during group work) and ask them to present on the first term, Disaster, in under 2 minutes

1. Definition
2. Example
3. Brief description of their discussion this team. Was it easy to agree, or were there very different understandings? Was there something interesting they want to share?

Take notes on the flip chart for each term, and when the presentation is done, ask for any inputs or key reactions from the group.

"This is a contextual definition and example, and now, let’s see how it relates to the internationally accepted concept definition."

Project Slide 10: DRR Concepts and Terms

While Slide 10 is up, relate what the group did to the definitions and example in the notes section (in the text below). The full text and information is available in Briefing Sheet 2: Key DRR Concepts and Terms

Point out the similarities and differences. Emphasize the key differences (if they exist) and explain why the internationally accepted definition is important to understand clearly. Take any questions.

**Disaster**

A serious disruption of the functioning of a community or a society at any scale due to hazardous events interacting with conditions of exposure, vulnerability and capacity, leading to one or more of the following: human, material, economic and environmental losses and impacts.

The effect of the disaster can be immediate and localized, but is often widespread and could last for an extended period. The effect may test or exceed the capacity of a community or society to cope using its own resources, and therefore may need help from external sources, which could include neighboring jurisdictions, or those at the national or international levels.

Disaster damage occurs during and immediately after the disaster. This is usually measured in physical units (e.g., square meters of housing, kilometres of roads, etc.), and describes the total or partial destruction of physical assets, the disruption of basic services and damages to sources of livelihood in the affected area. Disaster impact is the total effect, including negative effects (e.g., economic losses) and positive effects (e.g., economic gains), of a hazardous event or a disaster. The term includes economic, human and environmental impacts, and may include death, injuries, disease and other negative effects on physical, mental and social well-being.
In the Sendai Framework for Disaster Risk Reduction 2015-2030, the following terms are also considered:

- **Small-scale disaster**: a type of disaster only affecting local communities which require assistance beyond the affected community.
- **Large-scale disaster**: a type of disaster affecting a society which requires national or international assistance.
- **Frequent and infrequent disasters**: depend on the probability of occurrence and the return period of a given hazard and its impacts. The impact of frequent disasters could be cumulative, or become chronic for a community or a society.
- **A slow-onset disaster** is defined as one that emerges gradually over time. Slow-onset disasters could be associated with, e.g., drought, desertification, sea-level rise, epidemic disease.
- **A sudden-onset disaster** is one triggered by a hazardous event that emerges quickly or unexpectedly. Sudden-onset disasters could be associated with, e.g., earthquake, volcanic eruption, flash flood, chemical explosion, critical infrastructure failure, transport accident.

Repeat this sequence for each term, using slides and notes from the PowerPoint and the Briefing Sheet 2: DRR Key Concepts and Terms.

Try to spend no more than 5 minutes on each definition, so you can complete all 7 terms in about 40 minutes.

**Facilitation Tip**

If you have a small number of participant groups, have each group present 2 or 3 terms and ask if they would like to choose a new presenter each time so more people get a chance to present.

If discussions are running long or time is short, suggest to the group that they choose 3-4 definitions to discuss in plenary, and then present on the remaining terms.

**SAY:** “Each of these concepts and terms represent a reality for both your clients and your institutions. Here in (INSERT COUNTRY NAME), understanding the Disasters, Hazards, Exposure, Vulnerabilities, Capacities, Disaster Risks, and Resilience factors is the first step in applying these concepts.”
Country-Specific Example of DRR

Time: 10 minutes

Project Slide 17: DRR in (name of the country), Country-specific Context

"I have done a brief and very preliminary contextual analysis of the relevant concepts and terms for us, which I will present now. But remember, you are the experts in context here, so I look forward to hearing your thoughts and inputs."

REMEMBER: Your own slides will be added to present a summary of the country-specific context where the workshop is taking place. Maps that summarize or show events/disasters and illustrate the relevant DRR concepts discussed: exposure, vulnerability, capacity, risk are particularly useful.

Background Resources were offered at the beginning of this module to assist with this, as well as the Briefing Sheets 3 and 4 to serve as examples from previous trainings as you develop your own slides.

Present your maps, findings and the country assessment you developed.

You can hold discussion/thoughts till the end or discuss each point as you work through the slides.

Make sure this is an interactive presentation. The participants will have a lot to offer during this session, and their inputs should be acknowledged to improve and refine your desk research.

Close by thanking them for their inputs and reminding them that is an important step to get a real understanding of the risks and reality that by their clients and their institutions face.

Transition

"As we have begun to understand the terms and concepts and how they look to us on the ground, we can start to see some of the risk we all face. What can we do about these risks? How do we manage them and what can we learn from others? Module 3 will begin to address some of these questions."
Module 3

Applying Promising Practices Along the Disaster Risk Management Cycle

Learning Objectives:

- Recognize the value of integrating DRR into business planning because it supports resiliency and sustainability at client, community and institutional levels.
- Gain information and share knowledge about DRR best practice that can be applied to current practice.

Time: 2 hours

Materials Needed:

- Paper and Pens for each participant
- Flip chart and markers for facilitator
- Printed Handouts of the Briefing Sheet 5: Promising Practices for each participant
- Projector and PowerPoint “DRR Curriculum PowerPoint.pptx” Slides 18-30

Key Messages:

- There are four phases of disaster risk management cycle: 1) prevention and mitigation, 2) preparedness, 3) response, 4) recovery, rehabilitation and reconstruction.
- For each phase, we will review some promising practice areas on DRR for FSPs, their clients and key stakeholders. These were based on the extensive resources, case studies and learning outputs developed by the SEEP Network’s global DRR Program.
Facilitation Steps

Disaster Risk Management Cycle and Promising Practices Activity Introduction

Time: 5 minutes

Project Slide 18: Applying Promising Practices along the Disaster Risk Management Cycle

Explain that this module is a mix of will allow participants to use the four phases of disaster risk management to see the practical tools and actions in each phase. These are the most recent promising practices showing results around the globe.

SAY: "We will start with understanding the four phases of the disaster risk management cycle and why it is important for FSPs. For each phase, you will work in a group, talk about what pieces of the puzzle you already may have, and where we are still working. Perhaps some of the global examples will spark ideas for products, tools or actions for your work. After we discuss in our groups, we will come back and share our thoughts before moving on to the next phase. After we have had a chance to talk about all four phases, we will take some time to bring them all together."

Project Slide 19: Promising Practices: Prevention & Mitigation

Use the facilitator notes in Slide 19 to ensure that participants can understand why DRR management is critical to their business model and their social impact goals. Spend no more than 5 minutes on this.

Transition to the small group activity this way:

SAY: "There are four phases of the disaster risk management cycle: 1) prevention and mitigation, 2) preparedness, 3) response, 4) recovery, rehabilitation and reconstruction. We will now begin discussing the first phase: Prevention and Mitigation. This phase can help reduce the initial impact of a disaster and enable FSPs and their clients to have greater diversity of coping mechanisms."

Small Group Activity

Time: 80-100 minutes (20-25 minutes for each of the four phases in the cycle)

Project Slide 20: Promising Practices: Client-Centric Approaches

Handout Briefing Sheet 5: Promising Practices to table and ask them each to take one.

Explain that this handout will help them think about their own work – and they should refer to it as they discuss each phase. The handout is divided into difference practices that relate to each phase.

They can discuss if the practices and products are relevant in their context, if they are using them or have in the past, and what their experiences were with them. Perhaps they will show a gap or opportunity for improvement.
Project Slide 21: Disaster Risk Management Cycle

Review the facilitators notes under the slide ensure these definitions are clear to participants.

**Phase 1: Prevention and Mitigation**

**Prevention:** *Activities and measures to avoid existing and new disaster risks.*

Prevention (i.e., disaster prevention) expresses the concept and intention to completely avoid potential adverse impacts of hazardous events. While certain disaster risks cannot be eliminated, prevention aims at reducing vulnerability and exposure in such contexts where, as a result, the risk of disaster is removed. Examples include dams or embankments that eliminate flood risks, land-use regulations that do not permit any settlement in high-risk zones, seismic engineering designs that ensure the survival and function of a critical building in any likely earthquake and immunization against vaccine-preventable diseases. Prevention measures can also be taken during or after a hazardous event or disaster to prevent secondary hazards or their consequences, such as measures to prevent the contamination of water.

**Mitigation:** *The lessening or minimizing of the adverse impacts of a hazardous event.*

The adverse impacts of hazards, in particular natural hazards, often cannot be prevented fully, but their scale or severity can be substantially lessened by various strategies and actions. Mitigation measures include engineering techniques and hazard-resistant construction as well as improved environmental and social policies and public awareness. It should be noted that, in climate change policy, “mitigation” is defined differently, and is the term used for the reduction of greenhouse gas emissions that are the source of climate change.

After presenting the definition of this phase, EITHER

1. Keep slide 22 (Promising Practices: Prevention & Mitigation) up and ask the groups to review Briefing Sheet 5: Promising Practices and use it as a guide while they discuss/share their own experiences with promising practices, products, and strategies for FSPs, or

2. project slide 23 (Disaster Risk Management Cycle) and review the relevant promising practices together before the discussion. (This can be helpful in a mixed group where there are participants not in the FS sector).

SAY: *“Now, it is time for you to discuss at your table and share your own experiences with promising practices, products, and strategies for FSPs at this phase of the cycle. Use the Briefing Sheet 5 as a guide. We will come together in 15 minutes to share our thinking on this phase and move on to the next.”*

After 15 minutes, bring the groups back together into plenary

Project Slide 23: Disaster Risk Management Cycle

Ask participants to share the main points from their small group work. Take hands, call on a table or group or pose a question.

Use this time to bring out any promising practices that are relevant but may not have been touched on. Ask participants what was relevant and what was not in their context and why. See if multiple organizations found similar gaps.

Try to spend no more than 10 minutes in plenary. There is about 10 minutes built into the timing to account for transitions and extra conversation.
Repeat this process until all the phases have been covered. The definitions for phases 2-4 are copied here, and are also in the facilitators notes for each related slide.

Phase 2: Preparedness

Preparedness: The knowledge and capacities developed by governments, response and recovery organizations, communities and individuals to effectively anticipate, respond to and recover from the impacts of likely, imminent or current disasters.

Preparedness action is carried out within the context of disaster risk management and aims to build the capacities needed to efficiently manage all types of emergencies and achieve orderly transitions from response to sustained recovery.

Preparedness is based on a sound analysis of disaster risks and good linkages with early warning systems, and includes such activities as contingency planning, the stockpiling of equipment and supplies, the development of arrangements for coordination, evacuation and public information, and associated training and field exercises. These must be supported by formal institutional, legal and budgetary capacities. The related term “readiness” describes the ability to quickly and appropriately respond when required.

A preparedness plan establishes arrangements in advance to enable timely, effective and appropriate responses to specific potential hazardous events or emerging disaster situations that might threaten society or the environment.

Phase 3: Response

Response: Actions taken directly before, during or immediately after a disaster in order to save lives, reduce health impacts, ensure public safety and meet the basic subsistence needs of the people affected.

Disaster response is predominantly focused on immediate and short-term needs and is sometimes called disaster relief. Effective, efficient and timely response relies on disaster risk-informed preparedness measures, including the development of the response capacities of individuals, communities, organizations, countries and the international community.

The institutional elements of response often include the provision of emergency services and public assistance by public and private sectors and community sectors, as well as community and volunteer participation. “Emergency services” are a critical set of specialized agencies that have specific responsibilities in serving and protecting people and property in emergency and disaster situations. They include civil protection authorities and police and fire services, among many others. The division between the response stage and the subsequent recovery stage is not clear-cut. Some response actions, such as the supply of temporary housing and water supplies, may extend well into the recovery stage.

Phase 4: Recovery, Rehabilitation and Reconstruction

Recovery: The restoring or improving of livelihoods and health, as well as economic, physical, social, cultural and environmental assets, systems and activities, of a disaster-affected community or society, aligning with the principles of sustainable development and “build back better”, to avoid or reduce future disaster risk.

Rehabilitation: The restoration of basic services and facilities for the functioning of a community or a society affected by a disaster.

Reconstruction: The medium- and long-term rebuilding and sustainable restoration of resilient critical infrastructures, services, housing, facilities and livelihoods required for the full functioning of a community or a society affected by a disaster, aligning with the principles of sustainable development and “build back better”, to avoid or reduce future disaster risk.

Build-back better: The use of the recovery, rehabilitation and reconstruction phases after a disaster to increase the resilience of nations and communities through integrating disaster risk reduction measures into the restoration of physical infrastructure and societal systems, and into the revitalization of livelihoods, economies and the environment.
Project Slide 31: The DRR Management Cycle and Promising Practices

Thank everyone for their work and discussion and for sharing their experiences. Remind them that they are the experts in their context and as they explore new ideas or practices they should always remember their expertise.

Ask the participants to review the most relevant phases to their current work.

Ask participants which practices across the cycle were the most important for them in their work.

Solicit any surprising or interesting points they want to revisit and reinforce.

Transition

*SAY:* “Now that we have gone through the Disaster Risk Management Cycle and understood the practical activities, products and structural changes we can make to bring it to life, it is also important to understand the larger context. As organizations, we work in a county, zone or region that has its own risks and hazards, those with whom we collaborate have their risk profile and our clients are also susceptible to many risks and hazards. In the next module, we will be looking at a toolkit that will help us map these out.”
Module 4

Disaster Risk Mapping and Impacts on FSPs and Their Clients

Learning Objectives:

- Gain experience using the DRR Mapping Toolkit.
- Recognize how the tools in the toolkit can be used to develop participatory and collaborative partnerships among all relevant stakeholders to further support development of DRR strategies and approaches across sectors.

Time: 90 minutes

Materials Needed:

- Paper and Pens for each participant
- Flip chart and markers for facilitator
- Projector and PowerPoint “DRR Curriculum PowerPoint.pptx” Slides 33-38. (Disaster Risk Mapping Toolkit: The Impacts on FSPs and their Clients). See the Preparation Tip below for more details.

Key Messages:

- The toolkit will develop maps country risk environment for MFIs and their clients: i.e. risk events, operational readiness, client vulnerability, ecosystem factors
- Identifies opportunities to build resilience among MFIs and their clients through greater disaster preparedness
- Creates awareness of the opportunities for improved coordination among a range of public and private actors
- Establishes a framework for sustained dialogue around DRR for the MFI sector through sharing promising practices and lessons learned

Preparation Tip

Have some resources for participants to use to gather information during the mapping activity. Offer a sheet with the Background Resources for Trainers from Module 2. Contact local OCHA offices or other groups to get copies of relevant maps. Let participants know they should be ready to access the internet and research relevant sites to get information when necessary. Ask the host organization to suggest relevant resources that will be meaningful to the participants’ context.
Facilitation Steps
Introduction the DRR Mapping Toolkit, Objectives and Outcomes

Time: 20 minutes

Project Slides 32-33: Disaster Risk Mapping Toolkit - The Impacts on FSPs and their Clients

Welcome participants to Module 4, and explain that you will be learning about the DRR Mapping Toolkit, as well as using it to map some of the areas where they work.

Explain that the mapping exercise will show the exposure of FSPs and their clients to natural, socio-natural and anthropogenic-related hazards, vulnerabilities, risks and coping mechanisms.

During the activity, participants will share their field knowledge of specific areas and zones, diverse types of clients, and their field experience dealing and coping with disasters.

It will also help them understand their degree of exposure, vulnerability, capacity and risks in the geographic areas where their operations are taking place.

It will show where they need to deepen their knowledge to improve the effectiveness of applying the disaster risk management cycle into their daily operations.

Project Slides 34-35: Disaster Risk Mapping Toolkit - IFMR-India and SEEP Network

Review the bullets on the slides

Tell participants how the toolkit was developed, where it comes from, and what it contains.

Let them know where they can download the toolkit and get support on its use.
Community Mapping of Disaster Risks

Small Group Activity
This activity can be organized by table. Facilitators may also consider organizing the activity by geographic region or technical/specialty area so that participants are working with others who share their knowledge and context for the mapping activity.

Time: 40 minutes

Project Slide 36: Mapping Exercise
Explain that, working in your small groups, you will do a real-world mapping exercise together. The steps you will follow will be the same as if you were working within an organization.
However, as you will be working only in the training room, and normally would need to access many primary and secondary data sources, it will be an incomplete map and not offer the level of detail that would be possible in the field.

Project Slides 37-38: Mapping Exercise
Review the Overview and Activity Steps listed on the slides with participants.
Answer any questions about the mapping activity or the resources they can use to gather information.
Ensure that each group has access to a WiFi connected computer for research. (People can take turns if necessary).
Make sure to use the facilitation notes under slide 38 (Exercise Methodology) to explain and give examples for all the Steps in the Mapping Activity. The key steps to cover are copied below.
Step 1
Choose a territory/geographic location to assess and conduct the mapping exercise.

Step 2
List the natural hazards for the territory being assessed: earthquakes, volcanic eruption, hurricane/tornado, floods, drought, landslides, tornado, tsunami.

Step 3
Draw a map of the area/territory to be assessed.
- Maps are a proven method of communicating geographic knowledge.
- Maps are visual tools that help participants analyze problems, describe local situations, and assess community assets and infrastructure.
- Map should identify:
  - Vulnerable/prone zones to the natural-related hazards listed – areas that historically, now or potentially could be affected, and assess the probability of occurrence of the natural-related hazards to which it is exposed – HIGH, MEDIUM, LOW.
  - Areas where FSPs’ clients are located or concentrated (households and businesses).
  - Safe areas for relocation of houses or economic activities, safe areas for evacuation (shelters, sport facilities, stadiums, school yards).

Step 4
Use info from Steps 1 (hazard listing) and Step 2 (territory mapping), and assess expected impact on FSPs and their clients if these natural-related hazards happen.

For example, if the FSP works in a sector with high probability of flooding or landslides during the rainy season, high level of concentration of clients’ homes and businesses, and medium to high probability of loss of clients’ assets:
- What could be the potential impact on clients’ livelihoods, capacity to repay their loans, savings withdrawals, etc.?
- Given the answer to the previous questions, what could be the potential impact on the FSPs’ performance (growth, quality of assets, liquidity, capital, etc.)?

Step 5
Brainstorming on mechanisms that FSPs could put in place to create more resilient livelihoods for clients and for FSPs themselves.

For example:
- Relocation of economic activities or housing
- Diversification of productive activities of FSPs’ clients away from high-risk activities
- Financial products/services adapted/centered on clients’ needs - credit, savings, insurance
- Non-financial services - technical assistance, training, capacity building, early-warning systems
- Public and private partnerships for DRR

During the worktime, make sure to circulate around the room, answer questions, offer encouragement and get groups back on track, if necessary. Remind them that their map should be able to be seen and understood by others, so make it large enough and have a key or legend to explain symbols and graphics. Also remind them they will need to have one member stay with the map during the galley walk, to answer questions and should choose that person.

Give participants a 10-minute warning, and remind them that once the maps are done, they will be displayed for a “Galley Walk” where everyone will tour around the room to analyze, discuss and offer feedback to each other.
Gallery Walk

**Time:** 20 minutes

**Project Slide 39: Gallery Walk**

Call "Time" after 20 minutes. Ask each group to tape/attach their drawn map in the training space. Remind them to have one member of the group should stay with the map to answer any questions and get feedback from others.

**SAY:** "I would like to invite you to tour the room to see what your colleagues have been working on. Check to see how their interpretations differ from yours - are they mapping something you missed? What can you learn from these maps? We will have 20 minutes to look at everyone's work, so take your time and ask questions."

Tour the room with participants -offer your feedback and ask questions as well. You can point out relevant similarities and differences and adjust for any misinterpretations.

**Transition**

When the 20 minutes is up, or when everyone has finished, call everyone back together.

**SAY:** "We have reviewed some of our own understanding and are beginning to see the context in which we work through the lens of Disaster Risk Reduction. Others have also spent time and work on this, and their learning can provide us with a map of where we can go and steps we can take. In our next session, we will explore some the lessons learned from FSPs who have worked in various high-risk contexts."
Module 5: Global Lessons Learned and Workshop Reflection

Learning Objectives:

- Share current global learning and apply it to the participants work.
- Review the key takeaways and experiences of participants.
- Identify which key messages were retained and resonated with participants to improve the state of the practice.

Time: 60 minutes

Materials Needed:

- Paper and Pens for each participant
- Flip chart and markers for facilitator
- Projector and PowerPoint “DRR Curriculum PowerPoint.pptx” Slides 40-49, Global Lessons Learned and Workshop Reflection
- Copies of the Participant Evaluation (found at the end of the toolkit)

Key Messages:

- The learning from the middle east case studies can be applied across contexts, with adaptation.
- When discussing a way forward, participants can plan their own next steps within their organizations to take this new learning into action.
- In developing ways forward, participants should network together and be open to future partnerships.
- Participant feedback is vital as this workshop is modular and will be adjusted based on their thoughts and suggestions.

FACILITATION TIP

Depending on the level of learning in your group, you could choose to print out the bulleted list of “lesson learned” covered in Slides 41-45. For groups learning about DRR and its application for FSPs, this list can be a good way to remind them of key takeaways and keep their next steps on track.
Facilitation Steps
Lessons Learned from the Middle East: Vitas Group - Lebanon, Iraq and Palestine

Time: 20 minutes

Project Slide 40: Global Lessons Learned and Workshop Reflection

Explain that you are going to review some key lessons from the Vitas Group, is a commercial holding company created and owned by Global Communities as a long-term vehicle for fulfilling Global Communities’ mission in micro-, small-, and medium-sized enterprise finance. Vitas Group prides itself on a community-driven approach to lending and building lasting partnerships in the places where it works.

SAY: “These lessons were drawn from the case study and webinars produced for SEEP’s global DRR program, which were developed to be generally relevant. However, as always, we will discuss the context here to see what would need to be adapted.”

Project Slides 41-45: Lessons Learned

Review the lessons bulleted on the slides.

As you move thorough the slides, make sure you are relating these points back to the to the learning from this group. Based on the discussions from the earlier modules, draw out which lessons would be most reverent for these participants. Pose some scenarios where these would be relevant and point out when participants may have already come up with some of these, are doing them in their current practice or already discovered them during work in pervious modules.

The bullet points are in the box on page 33:
Lessons learned from the Middle East: Vitas Group Lebanon, Iraq and Palestine

i. DRR is a constant work in progress and:
   - Should be part of every business plan
   - Approach should be reviewed after every new incident to make improvements in future responses
   - A senior person should be directly responsible for overseeing the process

ii. Financial services are more crucial when:
   - Basic needs are exacerbated
   - New or more urgent needs must be met in the face of cash shortages
   - Requires reinforced commitment to lending during times of crises

iii. FSPs should always have a crisis management plan as part of its risk management framework, even in low-risk security environments.

iv. A robust plan should involve:
   - Constant communication with all stakeholders
   - Flexibility: All team members must be prepared to shift plans and accommodate rapid changes
   - Staff and client well-being is the first priority; portfolio concerns are secondary
   - Tactics to manage emotional and physical well-being of staff before, during, and after stressful situations

v. When assessing the portfolio, help clients recover before writing-off loans.
   - Rescheduling loans or providing additional emergency funds help clients get back on their feet while preserving the viability of the business
   - Writing-off loans hurts the FSP and affects a client's credit history and future ability to obtain credit.

vi. To create stability, look for new ways to preserve liquidity in times of crisis.
   - Loan guarantees or other instruments are excellent ways to mitigate risk, but take time and advance planning to structure them. Therefore, start early and begin building relationships before crisis strikes.

Discussion About Participants’ Key Takeaways and Participants’ Next Steps for Implementing DRR Strategies

Time: 15 minutes

Project Slide 46: Key Takeways and Next Steps

Explain that there will be an open time, for everyone to reflect on their learning, and how they are going to apply it in the work going forward.

Facilitate discussion, and use the questions as guides or conversation starters.

1. What do you feel are the most important key takeaways from the workshop?
2. How might the best practices, lessons learned and other information discussed and analyzed in the workshop be applied to your work going forward?

Depending on how the discussion moves, you can:

1. Take notes on two flip charts, one for response to Question 1 and another for ideas and plans for Question 2.
2. After 10 mins of discussion, suggest a 5 minute work-time at their tables to give participants a chance to write up two or three ideas/actions they are going to take within their organizations to apply this learning and thinking.
Workshop Feedback and Evaluation Survey

Time: 15 minutes

Project Slide 47: Workshop Feedback

Explain that, as this training evolves, we need to learn from the participants. This is an open feedback session, to gather their thoughts about the content of the workshop.

Assure them that you want to improve the workshop for participants in the future, and just like a good Business Continuity Plan, it must be constantly updated and adjusted.

SAY: “I am hoping for your help to improve this for others. I am not married to this training, nor is it my child, so don’t feel like you will be hurting my feelings by suggesting ways to make it better. For example, is there too much on one topic, or not enough? Did you feel a balance of activities between presentations and participatory activities? Were there other things that were missed that could support us to have an even better experience?”

While the discussion moves and suggestions are given, note them down on a flip chart.

Sometimes people are quiet, as they think they may offend you if they talk about things they did not like or could be better. If they are slow to suggest things, you can share thoughts of your own first and ask them to react. (“I thought the galley walk really showed me how differently each region’s hazard profile was. What do you think?” or “what was the most surprising moment for you?” or “I think next time I might want to shorten the discussion on terms. Did you feel it was a good length?”)

After you have documented all their thoughts, wrap up by thanking them for their valuable insights. Assure them that their inputs will be a part of the next training and will improve it.

Now hand out the Evaluation Survey to everyone and ask them to take 5 minutes to fill it out. Remind them they do not have to put their name on it, and when it is done, they can come hand it in to you (or you can have a folder to collect them or other method. Just make sure they get handed in or they may get forgotten).
Closing

Time: 5 minutes

Project Slides 48-49: Closing Remarks and Thanks

Give some concluding thoughts on the workshop and the topics covered and perhaps a personal experience that you valued during the training.

Remind participants that the learning they did and the connections they made with others during the training should continue in their professional work. Encourage them to stay in contact and support each other.

If there are any other meetings or follow-up plans that have been developed, let participants know.

Ask for the hosts to thank attendees for their participation and for the work done during the day.

Close the workshop

Workshop Follow-Up

Hold a post-workshop debrief meeting with the hosts. This can be right after the workshop or the following morning, but should be shortly after to keep thoughts fresh.

Based on the inputs gathered from the open feedback session and the survey evaluation, discuss the following questions and create a summary report to accompany the evaluation surveys:

- Overall, how effective and efficient were the workshop design, facilitation, exercises, and time given to each topic?
- What were the most successful components of the workshop?
- What components need improvements or adjustments?
- Was there a good balance between lecture and interaction and discussion?
- Was there anything that should be added or excluded from the workshop?
- How relevant and applicable was the workshop for the target audience?
Disaster Risk Reduction for Financial Service Providers: Promising Practices for Building Resilience
Facilitator’s Guide and Toolkit
Resilient FSPs, Resilient Clients

There has been a clear need for creating resilience for FSPs and, in turn, creating resilience at the client level through placing clients at the center of DRR operational practices.

This approach has been successfully applied by a handful FSPs working in markets in crises, for example: First Microfinance Institution Syria, First Microfinance Bank – Afghanistan, Global Communities/Vitas Group – Iraq, Palestine and Lebanon. The approach forms one of the specific recommendations from an assessment conducted of the microfinance sector in India. Likewise, the approach lies at the heart of the Financial Services Standards of the Minimum Economic Recovery Standards.

A client-centered approach is in line with the Sendai Framework proposal regarding specific roles and responsibilities in reducing disaster risk for private sector financial institutions: “... integrate disaster risk management, including business continuity, into business models and practices through disaster-risk-informed investments, especially in micro, small and medium-sized enterprises; engage in awareness-raising and training for their employees and customers; engage in and support research and innovation, as well as technological development for disaster risk management; share and disseminate knowledge, practices and non-sensitive data...”

Additionally, for DRR to be holistic in scope, it requires building and maintaining partnerships with a diverse range of stakeholders, both domestic and international (national and local governments, bilateral and multilateral donors, universities and research centers, NGOs, insurance companies, financial industry associations, among others) with defined roles and responsibilities at one or more phases of the DRR cycle (from pre-disaster to post-disaster management). A series of reports advise on the importance of building those bridges of cooperation and collaboration—a result of the lessons learned from actual disasters such as the 2010 floods in Pakistan, the 2015 floods in Chennai, India, and the high- and medium-impact disasters in India (2011 to 2016).

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1 SEEP. First Microfinance Institution Syria: Building resilience through a client-centric model. 2016
3 SEEP. Fostering resilience in the Middle East: a people centered approach to risk reduction. 2016
4 SEEP & IFMR LEAD. Building resiliency through disaster risk reduction: an assessment of India’s microfinance sector. March 2017
9 SEEP & IFMR LEAD. Building resilience through disaster risk reduction: an assessment of India’s microfinance sector. March 2017
Key DRR Concepts and Terms

DRR Background, Concepts and Terminology

The session discusses what it is understood by DRR and stresses its importance at the international level by making reference to the Sendai Framework for DRR 2015-2030\(^1\) and the Minimum Economic Recovery Standards (MERS)\(^2\). Additionally, the session introduces terminologies and concepts\(^3\) considered essential to understanding disaster management and risk reduction.

i. **Sendai Framework for DRR 2015-2030**

The Framework is a voluntary global agreement on DRR practices in cases where States have the primary role to reduce risk. The Framework promotes a shared responsibility between local government, the private sector and other stakeholders. The expected outcome for year 2030 is: “The substantial reduction of disaster risk and losses in lives, livelihoods and health and in the economic, physical, social, cultural and environmental assets of persons, businesses, communities and countries”.

ii. **Minimum Economic Recovery Standards (MERS)**

The MERS articulate the minimum level of technical and other assistance to be provided in promoting the recovery of economies and livelihoods affected by crisis. It has six technical areas that are interdependent on one another for providing comprehensive relief and humanitarian assistance. These standards offer tools for government departments, humanitarian agencies, inter-governmental organizations, and local populations to enhance the effectiveness and quality of the economic assistance offered, and thus make a significant difference in the lives of the people affected by disasters.

The MERS defines disaster risk reduction as: “The concept and practice of reducing the risk of disaster through systematic efforts to analyze and manage causal factors. It involves reducing exposure to hazards, lessening the vulnerability of people and property, managing land and the environment wisely, and improving preparedness for adverse events.”

iii. **Disaster risk reduction (DRR)**

DRR is aimed at preventing new and reducing existing disaster risk and managing residual risk, all of which contribute to strengthening resilience and therefore to the achievement of sustainable development.

DRR is the policy objective of disaster risk management, and its goals and objectives are defined in disaster risk reduction strategies and plans.

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\(^3\) Definitions of concepts are taken from the following source: UNISDR. 2 February 2017 (http://www.preventionweb.net/english/professional/terminology)
iv. Disaster

A serious disruption of the functioning of a community or a society at any scale due to hazardous events interacting with conditions of exposure, vulnerability and capacity, leading to one or more of the following: human, material, economic and environmental losses and impacts.

The effect of the disaster can be immediate and localized, but is often widespread and could last for a long period of time. The effect may test or exceed the capacity of a community or society to cope using its own resources, and therefore may require assistance from external sources, which could include neighbouring jurisdictions, or those at the national or international levels.

Disaster damage occurs during and immediately after the disaster. This is usually measured in physical units (e.g., square meters of housing, kilometres of roads, etc.), and describes the total or partial destruction of physical assets, the disruption of basic services and damages to sources of livelihood in the affected area.

Disaster impact is the total effect, including negative effects (e.g., economic losses) and positive effects (e.g., economic gains), of a hazardous event or a disaster. The term includes economic, human and environmental impacts, and may include death, injuries, disease and other negative effects on human physical, mental and social well-being.

For the purpose of the scope of the Sendai Framework for Disaster Risk Reduction 2015-2030, the following terms are also considered:

- Small-scale disaster: a type of disaster only affecting local communities which require assistance beyond the affected community.
- Large-scale disaster: a type of disaster affecting a society which requires national or international assistance.
- Frequent and infrequent disasters: depend on the probability of occurrence and the return period of a given hazard and its impacts. The impact of frequent disasters could be cumulative, or become chronic for a community or a society.
- A slow-onset disaster is defined as one that emerges gradually over time. Slow-onset disasters could be associated with, e.g., drought, desertification, sea-level rise, epidemic disease.
- A sudden-onset disaster is one triggered by a hazardous event that emerges quickly or unexpectedly. Sudden-onset disasters could be associated with, e.g., earthquake, volcanic eruption, flash flood, chemical explosion, critical infrastructure failure, transport accident.

v. Hazard

A process, phenomenon or human activity that may cause loss of life, injury or other health impacts, property damage, social and economic disruption or environmental degradation. Hazards may be natural, anthropogenic or socio-natural in origin.

- Natural hazards are predominantly associated with natural processes and phenomena.
- Anthropogenic hazards, or human-induced hazards, are induced entirely or predominantly by human activities and choices. This term does not include the occurrence or risk of armed conflicts and other situations of social instability or tension which are subject to international humanitarian law and national legislation.
- Socio-natural hazards are associated with a combination of natural and anthropogenic factors, including environmental degradation and climate change.
As mentioned in the Sendai Framework for Disaster Risk Reduction 2015-2030, hazards include:

- **Biological hazards**: are of organic origin or conveyed by biological vectors, including pathogenic microorganisms, toxins and bioactive substances. Examples are bacteria, viruses or parasites, as well as venomous wildlife and insects, poisonous plants and mosquitoes carrying disease-causing agents.

- **Environmental hazards**: may include chemical, natural and biological hazards. They can be created by environmental degradation or physical or chemical pollution in the air, water and soil. However, many of the processes and phenomena that fall into this category may be termed drivers of hazard and risk rather than hazards in themselves, such as soil degradation, deforestation, loss of biodiversity, salinization and sea-level rise.

- **Geological or geophysical hazards**: originate from internal earth processes. Examples are earthquakes, volcanic activity and emissions, and related geophysical processes such as mass movements, landslides, rockslides, surface collapses and debris or mud flows. Hydro-meteorological factors are important contributors to some of these processes. Tsunamis are difficult to categorize: although they are triggered by undersea earthquakes and other geological events, they essentially become an oceanic process that is manifested as a coastal water-related hazard.

- **Hydro-meteorological hazards**: are of atmospheric, hydrological or oceanographic origin. Examples are tropical cyclones (also known as typhoons and hurricanes); floods, including flash floods; drought; heatwaves and cold spells; and coastal storm surges. Hydro-meteorological conditions may also be a factor in other hazards such as landslides, wildland fires, locust plagues, epidemics and in the transport and dispersal of toxic substances and volcanic eruption material.

- **Technological hazards**: originate from technological or industrial conditions, dangerous procedures, infrastructure failures or specific human activities. Examples include industrial pollution, nuclear radiation, toxic wastes, dam failures, transport accidents, factory explosions, fires and chemical spills. Technological hazards also may arise directly as a result of the impacts of a natural hazard event.

vi. **Exposure**

The situation of people, infrastructure, housing, production capacities and other tangible human assets located in hazard-prone areas. Measures of exposure can include the number of people or types of assets in an area. These can be combined with the specific vulnerability and capacity of the exposed elements to any particular hazard to estimate the quantitative risks associated with that hazard in the area of interest.
vii. Vulnerability
The conditions determined by physical, social, economic and environmental factors or processes which increase the susceptibility of an individual, a community, assets or systems to the impacts of hazards.

Examples of vulnerability:

- Adobe houses (earth dwellings) - very fragile earthquakes, showing poor behavior for moderate to strong ground shakings
- Wooden homes are less likely to collapse in an earthquake, but are more vulnerable to fire
- When flooding occurs, children, elderly and differently-abled citizens, may be unable to protect themselves or evacuate
- Poorer families that live in squatter/marginal settlements are less protected from damaging effects of hazards

viii. Capacity
The combination of all the strengths, attributes and resources available within an organization, community or society to manage and reduce disaster risks and strengthen resilience. Capacity may include infrastructure, institutions, human knowledge and skills, and collective attributes such as social relationships, leadership and management.

Coping capacity is the ability of people, organizations and systems, using available skills and resources, to manage adverse conditions, risk or disasters. The capacity to cope requires continuing awareness, resources and good management, both in normal times as well as during disasters or adverse conditions. Coping capacities contribute to the reduction of disaster risks.

Examples of capacity:

- Local level organization to adequately respond to adverse events, for example: identification of evacuation routes and meeting points for population, definition of infrastructures that would become shelters or evacuation centers
- Information and communication protocols at national, regional and local levels
- A national, regional and local DRR system in place, with active and effective committees that have responsibilities regarding the disaster risk management cycle (prevention & mitigation; preparedness; response; recovery, rehabilitation & reconstruction)

ix. Disaster risk
The potential loss of life, injury, or destroyed or damaged assets which could occur to a system, society or a community in a specific period of time, determined probabilistically as a function of hazard, exposure, vulnerability and capacity.
x. Resilience

The ability of a system, community or society exposed to hazards to resist, absorb, accommodate, adapt to, transform and recover from the effects of a hazard in a timely and efficient manner, including through the preservation and restoration of its essential basic structures and functions through risk management.

Examples of resilience

- A city with flood management infrastructure/drainage systems is resilient to flooding
- A city with a large number of buildings equipped to harvest and store rainwater is more resilient to drought
- A city with stringent earthquake building codes is more resilient to earthquakes
- Sound and enforced land-use planning

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12 SEEP & IFMR LEAD. Building resilience through disaster risk reduction: an assessment of India's microfinance sector. March 2017
Disasters occur almost every year (i.e., floods and landslides) causing important socioeconomic and environmental losses – loss of lives; destruction of houses, infrastructure, agricultural land, and crops.

**Leading causes of natural disasters** – complex geophysical structure, annual torrential precipitation and climate change impacts include:

- High risk for earthquakes, landslides in the hilly and mountainous regions, floods in the lower plain regions, fires, thunder/hailstorms, drought
- Floods and landslides cause an average of 300 deaths per year with economic damage exceeding US$10 million
  - Flooding and landslides usually take place in the rainy season
  - Major causes of floods and landslides are adverse geo-climatic conditions, massive rainfall, cloudbursts, glacial lake outburst floods, soil erosion, snowmelts, deforestation, water leakage, road construction, and infrastructure failure
  - Flooding is on the increase in neighboring countries including Bangladesh, India and Pakistan
  - In fact, flooding is one of the major destructive disasters in South Asia and causes enormous damage to life and property

Nepal shows widespread differences between districts in terms of social structure, economic development, infrastructural development, basic life services and access. Districts in central and eastern regions are more developed than the districts in western regions. In addition, facilities are concentrated in urban centers of Kathmandu valley and southern Indo-Gangetic plains.

Interventions are required to tackle the very high to high vulnerability status of districts in the western region which has been identified as potential hotspot of future mega-earthquake, famine and epidemics.
The World Risk Index assesses disaster risk for 171 countries. According to the Index, the Philippines:

- is the 3rd most exposed to natural hazards
- is the 3rd most at risk
- tropical storms/typhoons, that result in floods, landslides and storm surge
- is highly-prone to earthquakes, tsunamis and volcanic eruptions

The Philippines also experiences man-made hazards brought about by political and socio-economic factors. In fact, the National Disaster Risk Reduction and Management Plan 2011-2028, indicates:

- violence in certain regions drives evacuation and displacement of people
- these conflicts cause public anxiety, loss of lives and destruction of properties
The Disaster Risk Management Cycle and Promising Practices

Each Phase (One-Four) will be defined, followed by a list of associated promising practices for that phase, drawn from SEEP DRR case studies and current research.

Phase 1: Prevention and Mitigation

Definitions

**Prevention:** *Activities and measures to avoid existing and new disaster risks.*

Prevention (i.e., disaster prevention) expresses the concept and intention to completely avoid potential adverse impacts of hazardous events. While certain disaster risks cannot be eliminated, prevention aims at reducing vulnerability and exposure in such contexts where, as a result, the risk of disaster is removed. Examples include dams or embankments that eliminate flood risks, land-use regulations that do not permit any settlement in high-risk zones, seismic engineering designs that ensure the survival and function of a critical building in any likely earthquake and immunization against vaccine-preventable diseases. Prevention measures can also be taken during or after a hazardous event or disaster to prevent secondary hazards or their consequences, such as measures to prevent the contamination of water.

**Mitigation:** *The lessening or minimizing of the adverse impacts of a hazardous event.*

The adverse impacts of natural hazards, often cannot be prevented fully, but their scale or severity can be substantially lessened by various strategies and actions. Mitigation measures include engineering techniques and hazard-resistant construction, as well as improved environmental and social policies and public awareness. It should be noted that, in climate change policy, “mitigation” is defined differently, and is the term used for the reduction of greenhouse gas emissions that are the source of climate change.
Phase 1: Promising Practices for Prevention and Mitigation

Loan Products specifically designed to improve quality of life and resiliency to shocks

First Microfinance Bank – Afghanistan\(^1\) developed a housing improvement product for a region highly vulnerable to earthquakes, flash floods, landslides, where they did the following:

- Hired civil engineers and developed pamphlets and guides to provide technical assistance to clients related to building disaster-resilient structures;
- trained over 30 mason and artisans on safe building practices;
- provided clients with advice on the selection of building materials, construction techniques, and innovative approaches to improving the safety and quality of their living environments;
- built a demonstration house to allow clients and builders to experience the building practice;
- allowed clients to select their repayment schedule for the loan product, taking into consideration the cyclical nature of the underlying agriculture cash flows. This flexible repayment schedule improved accessibility and resulted in high repayment rates

SEWA Bank – India\(^2\)

- Offers regular housing finance, including loans to repair or replace a roof, wall, floor or door; for monsoon proofing; and for housing expansion or rehabilitation.

Savings products\(^3\)

For areas prone to regular disasters, clients can be given a choice to save a certain percentage of the approved loan amount to be used in case of emergency to recover from disaster or even for repayment of an existing loan.

Microinsurance

Instead of insurance, the poor often rely on savings, depleting or mortgaging their land and assets, emergency loans from MFIs, or money lenders—trapping households in a vicious cycle of poverty. Disaster insurance provides a means to break from poverty by providing a strategy for coping with simultaneous losses of life, health and property.

Habitat For Humanity India offers Disaster Risk Reduction Insurance\(^4\), which:

- Offers asset and property coverage against a wide range of natural and manmade perils (including severe storms, typhoons, earthquakes, fires, riots, strikes and malicious damage);
- covers the insured and their family members against accidental death and permanent disability.

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\(^4\) SEEP & Habitat for Humanity India. Habitat for Humanity India’s Disaster Risk Reduction Insurance. Case study in disaster risk reduction. 2016
Spandana Sphoorty Financial Limited (NBFC MFI) – India

- Credit life insurance on the disbursed loan amount, with two additional benefits: a small amount of hut insurance and inclusion of spouses in the insurance product

Index-based insurance (good for agricultural/livestock)

- Pays out benefits on the basis of a pre-determined index (e.g. rainfall level, seismic activity, livestock mortality rates, wind speed, area yield indices) for loss of assets and investments resulting from weather and catastrophic events.
- Not designed to protect against every peril, but for situations where there is a larger scale, regional risk (area yield insurance) or well-defined climate risk that significantly influences farmers’ livelihood.
- Does not require the traditional services of insurance claims assessors, allowing quicker claims settlement process.
- Requirements include: high quality weather and yield data, a strong enabling environment and extensive awareness raising and education.

Catastrophic insurance

FSPs carrying these forms of insurance can write off loans made to business owners whose homes and businesses are destroyed or damaged as a result of natural catastrophes and ensure their own liquidity. Examples include the Microinsurance Catastrophe Risk Organization (MiCRO) – Guatemala, A re-insurance company owned by re-insurer Swiss RE, Sida, and Mercy Corps and the ILO Impact Insurance Facility – Mali. Catastrophic loss could also be held by a government, in particular a regional government, as a means to provide safety-net payments to citizens, in lieu of repeated humanitarian aid cycles.

Partial credit guarantee facilities

These can mitigate partial risk and typically used by FSPs to lend to new market segments, new sectors, or in a new location within a country.

Vitas Group – Lebanon

- Raised a US$20 million guarantee facility with the Overseas Private Investment Corporation (OPIC) to ease the fear of local banks and encourage them to resume full-scale lending.
- The facility provided commercial and political risk insurance on any funds lent by local banks.
- Having a long-term, large-scale guarantee on financing allowed the provision of stable, affordable service to the people most critically impacted by war.

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7 Mercy Corps. Financing the frontier: inclusive financial sector development in fragility-affected states in Africa. February 2017
8 SEEP. Fostering resilience in the Middle East: A people centered approach to risk reduction. Case study in disaster risk reduction. 2016
A geographic approach helps protect lives and livelihoods and makes countries and communities more resilient to climate change and the instability it brings to short-term weather patterns.

GIS helps answer a wide variety of questions, such as:

- Where are my current and potential customers?
- Which areas of my town are most vulnerable to natural disasters?
- What is the level of risk of the FSP loan portfolio and facilities due to various natural, socio-natural or anthropogenic hazards?

Benefits organizations of all sizes and every industry in:

- Cost savings from greater efficiency
- Better decision-making
- Improved communication
- Better geographic information record keeping
- Geographic management

**Phase 2: Preparedness**

**Definition**

The knowledge and capacities developed by governments, response and recovery organizations, communities and individuals to effectively anticipate, respond to and recover from the impacts of likely, imminent or current disasters.

Preparedness action is carried out within the context of disaster risk management and aims to build the capacities needed to efficiently manage all types of emergencies and achieve orderly transitions from response to sustained recovery.

Preparedness is based on a sound analysis of disaster risks and good linkages with early warning systems, and includes activities such as, contingency planning, the stockpiling of equipment and supplies, the development of arrangements for coordination, evacuation and public information, and associated training and field exercises. These must be supported by formal institutional, legal and budgetary capacities. The related term “readiness” describes the ability to quickly and appropriately respond when required.

A preparedness plan establishes arrangements in advance to enable timely, effective and appropriate responses to specific potential hazardous events or emerging disaster situations that might threaten society or the environment.

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9 (i) ESRI. What is GIS? July 2012; (ii) Castro-Monge, Ligia. Exogenous risk management in financial institutions that serve the most vulnerable segments of the population. June 2011
**Phase 2: Promising Practices for Preparedness**

**Liquidity facilities**

Must be established pre-disaster (or conflict), serve an immediate need to stabilize, and reduce losses and ensure the resiliency of FSPs.

Liquidity is critical during and post-crisis:

- Potential run on savings as clients want to withdraw funds to purchase necessities and start rebuilding or replenishing assets
- Existing clients may also demand new loans to rebuild or for short-term consumption
- New clients request loans

**Vision Fund International**

- Employs a disaster resilient lending model
- Uses liquidity as a tool to rebuild livelihoods and ensure operational capacities of FSPs during times of stress and shock

**Emergency Liquidity Facility – Latin America and the Caribbean (2005 – 2015)**

- Developed to provide short term financing to pre-qualified MFIs within a short period of time (maximum 2 weeks after declaration of emergency by the facility)
- Accompanied by a technical assistance facility aimed to help MFIs to better prepare for a crisis (business continuity & contingency planning)

**Business continuity planning (BCP)**

The ISO 22301 standard defines business continuity as: “...the capability of the organization to continue the delivery of products or services at acceptable predefined levels following a disruptive incident.”

FSPs should have policies and procedures that are developed, tested and implemented with the local context in mind and that emphasize both client and institutional resilience to respond and recover quickly from risks and crises.

Nonetheless, in times of crisis it is crucial that an institution’s strategy, policies and procedures are adapted to reflect the evolving reality on the ground and allow the institution to react effectively and quickly to rapidly changing situations.

It is essential that an organization’s BCP be context-specific, cannot be generic or copied from organizations in other countries.

**Vitas Group – Middle East**

- Integration of DRR into overall business planning, so that when disaster does strike, the company is well prepared to manage the impact and respond quickly

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10 Castro-Monge, Ligia. *Exogenous risk management in financial institutions that serve the most vulnerable segments of the population.* June 2011

11 [https://www.iso.org/news/2012/06/Ref1587.html](https://www.iso.org/news/2012/06/Ref1587.html)

12 SEEP. *Fostering resilience in the Middle East: A people centered approach to risk reduction. Case study in disaster risk reduction.* 2016
Vitas Iraq – rigorous “hard security” protocols

- Develop extremely detailed security practices: real-time communications with all staff, color-coded warning system to inform actions for staff safety, and maintaining agile operations that allow for immediate changes to systems, environments, and staffing to keep business open as much as possible
- Regular security trainings for all staff, 24-hour security staff, consultants for specific high-risk movements or events
- Keeping a constant ear on the ground with local peers and key security contacts to understand changes to the local environment and act in advance of major disruptions—gives time to move staff and relocate or temporarily close offices until all potential for conflict has passed

First Microfinance Institution Syria (FMFI-S)

- Purpose of BCP: reduce the risks of and time required to resume operations during a situation that affected crucial business operations
- BCP clearly outlines priorities around asset security, and staff and client protection during a crisis:
  - Give branch manager more authority to swiftly and flexibly respond to incidents
  - Regularly review security conditions across the branch network to identify areas that are not safe for operations and adjust accordingly
  - If client mobility becomes a challenge in certain areas, FMFI-S offers alternative access points for clients
  - Frequent testing of evacuation plans
  - First aid training for staff
  - Heightened information and database security
  - Preparation of alternative work sites

First Microfinance Bank - Afghanistan (FMFB-A)

- FMFB-A had a context-specific BCP in place that covered natural disasters and infrastructure, but realized that their plan was not suitable for the increasingly hostile environment; i.e. cash-in-transit policy needed to be region-specific

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Governance and management

First Microfinance Bank – Afghanistan\(^\text{16}\)

- Capable local individuals are indispensable in the successful management of disaster risks and improved preparedness for adverse events
- Business plan includes a detailed 5-year strategy to integrate risk reduction with middle-management skill development
- CASH-IN-TRANSIT policies needed to be region-specific
  - Kabul - armored vehicles are the norm, bank transfers cash in armored vehicles
  - Northern areas - armored vehicles bring attention, bank transfers cash using discreet method

Needs Based Response\(^\text{17}\)

Understand on-the-ground realities and needs of clients and respond accordingly—develop client centric products, services and delivery channels.

Employment practices

First Microfinance Institution Syria\(^\text{18}\)

- Staff the institution from the local community: local staff is more likely to make a long-term commitment and less likely to leave the region during a crisis

Learning from the Chennai floods\(^\text{19}\)

- Proximity between employees’ places of residence and their worksites was a key dampener
- Allowing workers to take part in the recovery process makes it go much faster

Humanitarian partnerships

First Microfinance Institution Syria\(^\text{20}\)

- Build and maintain partnerships with specialized agencies that provide humanitarian and social support that complement FSPs financial services

First Microfinance Bank – Afghanistan\(^\text{21}\)

- Aga Khan Foundation (AKF), Mercy Corps, and ACTED: program to improve alternative livelihoods for vulnerable populations
- Aga Khan Planning and Building Services: offer expert construction advisory services

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\(^\text{18}\) SEEP. First Microfinance Institution Syria: Building resilience through a client-centric model. Case study in disaster risk reduction. 2016

\(^\text{19}\) Mercy Corps & Okapi. Transforming Chennai. A research report on building micro, small, and medium enterprise resilience to water-related environmental change. November 2016


Briefing Sheet 5

- Share information and security resources with other Aga Khan Foundation (AKF) agencies that face similar security issues (theft, terrorism, insurgency, business espionage) to present a united front against possible threats

Technology

GIS and geospatial analysis tools contribution to FSPs

- Better account for risks: support decisions and reduce exposure. e.g. better assess the loan portfolio risk profile for individual threats or multi-threat scenarios
- Improve risk understanding and more accurately model impacts for better decision-making. e.g.: Evaluate financial scenarios for exposure to individual threats or multi-threat scenarios
- Develop new loan products to improve clients’ resilience to threats (reduce their vulnerability), for adaptation or mitigation of their exposure to hazards (i.e. climate change)
- Implement an early warning system for clients, personnel and branches located in areas exposed to different typologies of hazards

Phase 3: Response

Definition

Actions taken directly before, during or immediately after a disaster in order to save lives, reduce health impacts, ensure public safety and meet the basic subsistence needs of the people affected.

Disaster response is predominantly focused on immediate and short-term needs and is sometimes called disaster relief. Effective, efficient and timely response relies on disaster risk-informed preparedness measures, including the development of the response capacities of individuals, communities, organizations, countries and the international community.

The institutional elements of response often include the provision of emergency services and public assistance by public and private sectors and community sectors, as well as community and volunteer participation. “Emergency services” are a critical set of specialized agencies that have specific responsibilities in serving and protecting people and property in emergency and disaster situations. They include civil protection authorities and police and fire services, among many others. The division between the response stage and the subsequent recovery stage is not clear-cut. Some response actions, such as the supply of temporary housing and water supplies, may extend well into the recovery stage.

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22 Castro-Monge, Ligia. *Exogenous risk management in financial institutions that serve the most vulnerable segments of the population.* June 2011
Phase 3: Promising Practices for Response

Employment practices

First Microfinance Institution Syria

- Greatly concerned with supporting its staff during the crisis: access to fuel and other emergency staples, life insurance, family support, and crisis counselling

Vitas Lebanon

- During the war, focused its efforts on core humanitarian risks, checking in on staff constantly and moving them from one place to another as needed to stay safe

Vitas Palestine

- Most complex challenge was managing the personal and emotional toll the war had on staff in Gaza: they needed services before they could help others

- Set up phone trees and a schedule to check-in on staff

  - West Bank called each staff person in Gaza at least four times a day to check in on their physical and emotional health and identify people in immediate need of greater assistance

  - West Bank staff listened to their stories and encouraged them to give it another day to stay safe for their families and for the clients who desperately needed help

  - Within 10 days following the end of fighting, Gaza staff were all safe and reported feeling very happy to have been able to help clients when they felt so helpless in other ways

Loan products review/adaptation

First Microfinance Institution Syria

- Raised the ceiling for microloans to answer to clients’ declining purchasing power

- Lowered the area stability requirement from 6 months to 3 months

- Allowed loans for start-up projects

- Designed new products around alternative power sources - purchase generators, batteries, electric stabilizers and solar panel water heating devices

- Expanded permissible uses of the housing loan: include consumer needs (fuel and household commodities)

- Revised small business loan: met reconstruction needs of businesses striving to rebuild in a crisis environment

Vitas Lebanon

- Adapted the terms on its standard microfinance loans to help business regain prior footholds in the market and get back on a path to growth that would help restart local economies
Loan rescheduling/restructuring/refinancing

First Microfinance Institution Syria

- Policy set criteria to decide eligibility, including assessment of asset damage and cash flow projections
- To be done on an immediate and case-by-case basis to avoid portfolio contamination
- Standard six-month grace period allowed clients to use loan proceeds productively to rebuild capacity

First Microfinance Bank – Afghanistan

- Was rapid and well-targeted to help clients recover, adjust to income shocks quickly, and avoid disaster-induced defaults

Vitas Palestine

- Refinanced loans to help cover and close out existing loans
- Included a small top-off amount and a grace period of up to six months, depending on need

Other examples of loan restructuring can be found in India's microfinance sector & Chennai floods and Latin America.

Emergency loans

India's microfinance sector

- Non-preapproved emergency loan of very small value to support clients in case of medical or similar needs

Vitas Lebanon

- Short-term emergency loan to help new or existing clients bridge the gap between the essential cost of living and available resources

Vitas Palestine

- Emergency loan of up to $5,000 with a simplified, lower interest rate for new clients who needed help to recover
Loan forgiveness

First Microfinance Institution Syria\(^{36}\)
- In cases of client's death or irrecoverable loss of livelihood
- Applied on a case-by-case basis
- Confidential, to avoid conflict and other concerns

Loan write-offs

Vitas Palestine\(^{37}\)
- US$125,000 worth of loans were written off for businesses that were completely destroyed
- 70% of those clients have paid back those loans on their own accord, without any legal action or pressure, so that they could keep a clean credit history with the local regulators and have access to credit again in the future

Overdraft limits

Chennai floods\(^{38}\)
- Extension of overdraft limits by 10-15%, but these were considered inadequate and inaccessible and it was determined that more was needed.

Relief funds & supplies

The Cash Transfers Resilience Tool\(^{39}\)
- The Cash Transfer Resilience Tool is designed to help humanitarian agencies at the country level better prepare for emergency response using cash transfers.
- Cash, as opposed to in-kind aid, often increases choice, control, and convenience for recipients
- Cash transfers through FSPs can improve speed, efficacy and security of humanitarian aid delivery
- Can offer long-term opportunities for transitioning recipients into FSPs clients—help them achieve greater financial inclusion and resiliency after the crisis

First Microfinance Bank – Afghanistan\(^{40}\)
- Disbursed relief funds in partnership with AKF Afghanistan to drought affected communities

India’s microfinance sector\(^{41}\)
- Use of technology to ensure cash-less and quick transfer of relief funds

Vitas Palestine\(^{42}\)
- With Global Communities and World Food Programme (WFP), delivered relief supplies/packages to the 1,300 clients most in need (homes and livelihoods had been destroyed)

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\(^{36}\) SEEP. First Microfinance Institution Syria: Building resilience through a client-centric model. Case study in disaster risk reduction. 2016
\(^{37}\) SEEP. Fostering resilience in the Middle East: A people centered approach to risk reduction. Case study in disaster risk reduction. 2016
\(^{38}\) Mercy Corps & Okapi. Transforming Chennai. A research report on building micro, small, and medium enterprise resilience to water-related environmental change. November 2016
\(^{39}\) International Rescue Committee, Citi & Seep. Cash Transfer Resilience Tool. 2016
\(^{42}\) SEEP. Fostering resilience in the Middle East: A people centered approach to risk reduction. Case study in disaster risk reduction. 2016
Savings/deposits services

First Microfinance Institution Syria

- Focused on offering a secure place for clients to store their savings, a convenient branch-to-branch transfer, and withdrawal service during periods of internal displacement
- Clients were also offered the option to use their savings as collateral for a loan at a proportion that varied with their circumstances
- Allowed clients to withdraw from their fixed term deposits without penalty at any time
- Considering a scheme that will grant rewards to clients for maintaining specified savings levels

Client relationship practices

Vitas Lebanon

- Monitored clients at regular intervals to see whether they had been displaced and how their families and businesses were performing
- De-emphasized loan recovery

Vitas Palestine

- Surveyed all 2,600 clients in Gaza to better understand who was impacted and how deeply (allow to determine which clients will need relief assistance packages), which allowed Vitas to determine which clients were most in need of relief assistance packages.
- No clients were asked about their loans at this time

Technology

GIS and geospatial analysis tools

- Quickly show clients located in affected areas that might need support from the FSP and other relevant actors in humanitarian response
- Allow for more effective and efficient response, focusing on directly affected clients first
- Assess potentially affected loan portfolios, need for rescheduling/restructuring/ refinancing, demand for emergency loans, savings withdrawal, and microinsurance claims = business and operational planning
- Evaluate fiscal impact on the FSP, and potential needed support from liquidity facilities, guarantee schemes, etc.

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46 Castro-Monge, Ligia. Exogenous risk management in financial institutions that serve the most vulnerable segments of the population. June 2011
Phase 4: Recovery, Rehabilitation and Reconstruction

Definitions

Recovery: The restoring or improving of livelihoods and health, as well as economic, physical, social, cultural and environmental assets, systems and activities, of a disaster-affected community or society, aligning with the principles of sustainable development and “build back better”, to avoid or reduce future disaster risk.

Rehabilitation: The restoration of basic services and facilities for the functioning of a community or a society affected by a disaster.

Reconstruction: The medium- and long-term rebuilding and sustainable restoration of resilient critical infrastructures, services, housing, facilities and livelihoods required for the full functioning of a community or a society affected by a disaster, aligning with the principles of sustainable development and “build back better”, to avoid or reduce future disaster risk.

Build-back better: The use of the recovery, rehabilitation and reconstruction phases after a disaster to increase the resilience of nations and communities through integrating disaster risk reduction measures into the restoration of physical infrastructure and societal systems, and into the revitalization of livelihoods, economies and the environment.

Phase 4: Promising Practices for Recovery, Rehabilitation and Reconstruction

Reconstruction loans

Reconstruction loans to cover partial or significant loss of business and/or house to rebuild assets and livelihoods (longer term, higher amounts). These loans contribute to both recovery and rehabilitation at the individual and community level.

First Microfinance Institution Syria

- Business reconstruction loans to existing clients who had experienced partial or significant loss of business assets but demonstrated capacity to continue to generate revenue

Vitas Lebanon

- Longer-term reconstruction product for individuals whose businesses and/or houses were damaged in the war

Examples from India’s microfinance sector

- Based on past performance, clients could be offered a larger loan amount in order to help rebuild assets and generate livelihoods.

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47 The term “societal” will not be interpreted as a political system of any country.
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2. CGIAR Research Program on Climate Change, Agriculture and Food Security (CCAFS). *Scaling up index insurance for smallholder farmers: Recent evidence and insights.* CCAFS Report No. 14. 2015
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4. FAO. *The impact of disasters on agriculture and food security.* 2015
8. Munich Re. *Natural catastrophe losses at their highest for four years.* Press release. January 2017
11. SEEP. *First Microfinance Institution Syria: Building resilience through a client-centric model. Case study in disaster risk reduction.* 2016
12. SEEP. *Fostering resilience in the Middle East: A people centered approach to risk reduction. Case study in disaster risk reduction.* 2016
14. SEEP & Habitat for Humanity India. *Habitat for Humanity India's Disaster Risk Reduction Insurance. Case study in disaster risk reduction.* 2016
15. SEEP & IFMR LEAD. *Building resilience through disaster risk reduction: an assessment of India’s microfinance sector. Report.* March 2017
Evaluation Survey

As a result of this workshop I feel I am better able to:

1. Define and discuss disaster risk reduction concepts and terminology
   - [ ] Strongly disagree   [ ] Disagree   [ ] Neutral   [ ] Agree   [ ] Strongly agree

2. Identify linkages between exposure to hazards, vulnerability to hazards, and level of risk in disaster risk reduction for my context
   - [ ] Strongly disagree   [ ] Disagree   [ ] Neutral   [ ] Agree   [ ] Strongly agree

3. Recognize various disaster risk reduction practices that foster resiliency for financial service providers, clients and stakeholders
   - [ ] Strongly disagree   [ ] Disagree   [ ] Neutral   [ ] Agree   [ ] Strongly agree

4. Identify relevant disaster-related problems and issues, identify causes and effects, and discuss consequences within specific contexts and sectors
   - [ ] Strongly disagree   [ ] Disagree   [ ] Neutral   [ ] Agree   [ ] Strongly agree

5. Map disaster risks in a community
   - [ ] Strongly disagree   [ ] Disagree   [ ] Neutral   [ ] Agree   [ ] Strongly agree

6. Share knowledge about disaster risk reduction best practices among my colleagues
   - [ ] Strongly disagree   [ ] Disagree   [ ] Neutral   [ ] Agree   [ ] Strongly agree
Workshop Design, Facilitation and Coordination

1. The facilitator(s) was competent and effective.
   - Strongly disagree
   - Disagree
   - Neutral
   - Agree
   - Strongly agree

2. The workshop covered the key issues of the topic.
   - Strongly disagree
   - Disagree
   - Neutral
   - Agree
   - Strongly agree

3. The topics were relevant and applicable to my organization and/or work.
   - Strongly disagree
   - Disagree
   - Neutral
   - Agree
   - Strongly agree

4. The discussions and group activities were relevant and productive.
   - Strongly disagree
   - Disagree
   - Neutral
   - Agree
   - Strongly agree

5. I will be able to apply what I have learnt from this workshop to my work.
   - Strongly disagree
   - Disagree
   - Neutral
   - Agree
   - Strongly agree

6. The venue was of good quality for a consultation.
   - Strongly disagree
   - Disagree
   - Neutral
   - Agree
   - Strongly agree

7. The length of the workshop was appropriate
   - Strongly disagree
   - Disagree
   - Neutral
   - Agree
   - Strongly agree

8. Support staff at the workshop were courteous, helpful and attentive to your needs.
   - Strongly disagree
   - Disagree
   - Neutral
   - Agree
   - Strongly agree

9. Please provide any general feedback and/or recommendations about this workshop below:
Contributing Organizations

Aga Khan Foundation contributed the experience of the Aga Khan Agency for Microfinance’s (AKAM) work in Syria and Afghanistan to build resilience against natural and civil disasters in a region that faces persistent political and economic instability to a webinar. A special thanks to Sitara Merchant, who coordinated the AKAM country offices’ contributions and led the English webinar to discuss these.

Global Communities facilitated the connection to the Vitas country offices in Lebanon, Syria and Iraq that shared their experiences. A special thanks to Christina Washburn for facilitating the webinar.

Habitat for Humanity India contributed their experiences piloting a disaster insurance product to complement and enhance social security measures within its beneficiary communities to a case study.

IFMR (Institute for Financial Management and Research) carried out a DRR mapping study of the financial service sector in India to better understand vulnerabilities at the provider and client level, as well as the environmental factors and local capacities that exist to help the sector absorb, adapt and transform from shocks caused by disasters. This study was commissioned by SEEP’s DRR program.

Red de Instituciones Financieras de Desarrollo Ecuador for contributing their technical guidebook on post-disaster recovery and response planning for development finance institutions to the DRR Library and for moderating a webinar with FSPs that contributed to the guide.

Sa-Dhan, MFIN (Microfinance Institutions of India) and Sphere Network for hosting consultations for FSPs, humanitarian organizations, donors, government entities and others in India to understand the current state of practice for how FSPs operate in communities and regions that have been hit by disasters.

Vitas shared to the experiences of the country offices in Iraq, Palestine and Lebanon to successfully grow the financial inclusion sector in the Middle East over the last 20 years, despite the region’s persistent political and economic instability to a case study and webinar.

A special thanks to also goes to Miranda Beshara, of CGAP’s Arabic Microfinance Gateway, who facilitated a webinar about the resiliency of Vitas in Arabic.

Workshop Hosts

The following organizations partnered with SEEP to co-host pilot versions of Disaster Risk Reduction for Financial Service Providers workshops in Nepal and the Philippines. Their contributions included curating invitation lists, venue selection, and outreach to promote the workshop among relevant audiences. Co-hosts also provided valuable feedback on the workshop content and design.

Habitat for Humanity Nepal and Center for Microfinance Nepal were local partner organizations for the pilot workshop in Kathmandu, Nepal.

Habitat for Humanity Terwilliger Center for Innovation in Shelter and Philippine Commission on Women were local partner co-hosts for the pilot workshop in Manila, Philippines.