

LESSONS LEARNED FROM TSUNAMI RECOVERY

# Key Propositions for Building Back Better

*A Report by the United Nations Secretary-General's  
Special Envoy for Tsunami Recovery, William J. Clinton*



OFFICE OF THE UN SECRETARY-GENERAL'S  
SPECIAL ENVOY FOR TSUNAMI RECOVERY

**About the UN Special Envoy for Tsunami**

**Recovery:** In February 2005, UN Secretary-General Kofi Annan appointed former United States President William J. Clinton as the Secretary-General's Special Envoy for Tsunami Recovery to help sustain global political will in the recovery effort. President Clinton's role has included keeping the world's attention on tsunami recovery, supporting coordination efforts at the country and global levels, and promoting transparency and accountability measures. The Special Envoy has also championed a new kind of recovery that not only restores what existed previously, but goes beyond, seizing the moral, political, managerial, and financial opportunities the crisis has offered governments to set communities on a better and safer development path. The Special Envoy is supported by the Office of the Special Envoy at UN headquarters in New York.

*Cover photo: School children in Aceh, ©UNICEF*

# Key Propositions for Building Back Better

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*December 2006*

## PROPOSITION 1

Governments, donors, and aid agencies must recognize that families and communities drive their own recovery.

## PROPOSITION 2

Recovery must promote fairness and equity.

## PROPOSITION 3

Governments must enhance preparedness for future disasters.

## PROPOSITION 4

Local governments must be empowered to manage recovery efforts, and donors must devote greater resources to strengthening government recovery institutions, especially at the local level.

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Good recovery planning and effective coordination depend on good information.

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The UN, World Bank, and other multilateral agencies must clarify their roles and relationships, especially in addressing the early stage of a recovery process.

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Good recovery must leave communities safer by reducing risks and building resilience.



# Introduction

How can we reduce the number of casualties when disasters strike? Are we doing our best to improve the safety and economic vitality of communities?

Two years after the tsunami of December 26, 2004, there have been major achievements on the long road to recovery among the devastated communities across the Indian Ocean region. Some 150,000 houses have been built, and most of the people who are still displaced are living in adequate transitional shelters; large infrastructure projects are underway; children were back in school quickly, and hundreds of new schools are under construction; most affected families have resumed a livelihood of some kind; and in Aceh, the parties to its long running civil war have achieved a seemingly lasting peace.

These achievements are a testament to the extraordinary effort by hundreds of local and international organizations, governments, the private sector, and hundreds of thousands of individuals, from the affected countries and around the world. And their extraordinary efforts will need to continue for years to come. As we have learned in other parts of the world in the wake of massive disasters — from Kobe to New Orleans, Tangshan to Bam — rebuilding the physical, social, and human capital of shattered communities takes years.

Can that time-frame be reduced? How can we improve the underlying quality of the recovery process? How can we reduce the number of casualties when disasters strike? Are we doing our best

to improve the safety and economic vitality of communities and help them on their path to development? How can we transition better and faster from relief to reconstruction? In every recovery process, there will be flawed assumptions and decisions that we regret. Hopefully, there will also be innovations worth replicating and stories of progress to highlight. It is critical that we pass on such lessons to actors in future recovery processes.

The tsunami recovery operation is no exception. We have seen examples of great new approaches, as well as decisions and programs based on flawed assumptions that have caused us to lose time and allowed beneficiaries to suffer longer than they had to. Aid partners and governments have also perpetuated some of the systemic problems in humanitarian and development assistance that have been identified for years but have proven difficult to solve. Indeed, the scale of the tsunami recovery — the sheer number of organizations involved, the physical breadth of the theater of operations, and the vast amounts of funding available — has placed some of these systemic challenges in even sharper relief.

The aid community has not shied away from analyzing, documenting, and publicizing these lessons, whether good or bad. The Tsunami Evaluation Coalition was the largest such effort, with around 40 organizations joining hands to examine the first year of operations. Hundreds of organizations also have conducted their own evaluations.

Governments in the affected region have also been monitoring progress and drawing their own lessons. Several of the affected countries have established parliamentary oversight bodies and





conducted special audits, which have — not surprisingly — revealed both good and bad news. The tsunami survivors have also been involved in this effort, through large-scale public surveys and polls in several countries, although it is widely recognized that involvement of beneficiaries in this and other aspects of the recovery program has been inadequate. As always, more could have been done to enhance the transparency of the tsunami aid effort, but I have been truly impressed with the level of transparency and accountability that has characterized this operation so far. Our tools have yet to catch up

with our aspirations, true, but the effort has been genuine and widespread.

This report attempts to capture some of the key lessons from the tsunami recovery effort as I end my mandate as the UN Secretary-General's Special Envoy for Tsunami Recovery. Its subject is recovery in the aftermath of a natural disaster, rather than a man-made one. My goal is to help move the humanitarian community forward in the hope that others will learn from our experience as they face the inevitable disasters that tomorrow will bring.

*President Clinton in Aceh, December 2006.*



## PROPOSITION 1

# Governments, donors, and aid agencies must recognize that families and communities drive their own recovery.

**T**his proposition may seem self-evident, but the experience of the tsunami only underscores the reality that rhetoric in this area has yet to translate fully into practice.

The pressure on organizations to deliver assistance quickly to the needy and to spend donations without delay can be immense. But if handled poorly, these pressures can conflict with the equally important imperative to consult with those in need and to keep them up-to-date on and involved in assistance efforts on their behalf. The Red Cross Code of Conduct for

Disaster Relief, developed in 1994, recognized this principle when its signatories promised to “strive to achieve full community participation in our relief and rehabilitation programmes.” It is a

false trade-off to sacrifice local ownership for speed if that means short-circuiting the rights of affected populations to be informed in a timely manner about their choices, the assistance available to them, and any delays that are being experienced.

The other side of this coin, of course, is accountability to the families and communities our recovery efforts are serving. Typically, demands for accountability come loudest from donors — private and institutional — and implementing agencies are more likely to focus on this kind of upward accountability. Too often, the less organized voices of the survivors are not heard, and this equally vital downward accountability is given second-priority at best. This is unfortunate, as a

disaster’s survivors are best placed to design the recovery strategy that best meets their needs. And they should be the ultimate judges of a recovery effort’s success or failure.

In the words of the Tsunami Evaluation Coalition, the aid community has too often been “arrogant and ignorant” in assuming that it alone knows best what is needed by those affected by the disaster. In the post-tsunami effort, there have been too many instances of relief and recovery managers developing their own recovery programs with inadequate attention given to the recovery efforts of those directly impacted by the disaster. Set-piece packages, such as settlement schemes or seed distributions, have often been designed without serious analysis of the customs, conditions, and livelihoods of those receiving them. Women and men, farmers and traders, town dwellers and villagers, all have different paths to recovery, but the corresponding diversity in recovery strategies and economic opportunities has not always been recognized by the aid community.

We can, however, learn from some of the efforts to recognize and promote the role of local communities in the tsunami recovery process. For example, with the support of the UN, the Sri Lankan government empowered the National Human Rights Commission to conduct a massive campaign of “peoples’ consultations,” which provided a vital channel for expression of grievances. With the support of the World Bank, the Rehabilitation and Reconstruction Agency for Aceh and Nias (BRR) was quick to issue guidelines on community driven reconstruction. And throughout the region, certain aid agencies have been farsighted in their efforts to inform communities about their rights and about aid programs, through, for example, bulletin boards,

*It is a false trade-off to sacrifice local ownership for speed if that means short-circuiting the rights of affected populations.*





radio programs, and community meetings. These types of measures must be more widely and predictably employed in recovery operations.

A greater reliance on direct cash transfers to households has also been a positive feature of the tsunami effort, helping to empower local communities and families. Shortly after the tsunami, hundreds of thousands of people were involved in cash-for-work projects, clearing rubble, repairing small infrastructure, or cleaning paddy fields. The majority of houses under construction in Sri Lanka are being managed through an owner-built scheme under which beneficiaries receive cash installments to rebuild their own houses. Microfinance programs are also a potentially important tool to enable individual households to shape their own recovery strategy.

In its final report, the Tsunami Evaluation Coalition called for a “fundamental reorientation from supplying aid to supporting and facilitating communities’ own relief and recovery priorities,” and I strongly endorse this recommendation. We must translate this long-held aspiration into

practice, by requiring international and local actors to reorient their planning and programs to ensure active community engagement and ownership. This should start with an acknowledgement by the managers of recovery processes that communities are diverse and require much broader choices about appropriate kinds of support.

Donors, the public, and the media can play their part by allowing implementers the time and flexibility needed to consult with affected populations. More resources should be directed to cash-for-work programs, owner-built housing schemes, microfinance, and other approaches that put resources directly into survivors’ hands to chart their own path to recovery. The aid community should seek the opinion of the tsunami-affected communities more systematically, through the kinds of surveys and polls that have been undertaken by organizations like the Fritz Institute, Oxfam, and various UN agencies. Systematic investment in keeping beneficiaries well-informed and in grievance mechanisms should also become the hallmarks of future recovery efforts.

*Women in Sri Lanka participate in a cash-for-work program.*



## PROPOSITION 2

# Recovery must promote fairness and equity.

If left unaddressed, disasters and the response to them can exacerbate existing patterns of vulnerability and discrimination within societies.

Certain vulnerable groups tend to be hardest hit by disasters. The tsunami was no exception in this regard, with evidence that women, children, and the elderly suffered the most severe losses. Moreover, while a disaster can actually create opportunities to shift development patterns — to build back better — recovery can also perpetuate pre-existing patterns of vulnerability and disadvantage. Without a dedicated effort to change

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historic patterns of inequity, traditionally marginalized or disenfranchised groups will continue to lack both the political awareness and power to demand their fair share of recovery resources. And the problem can be compounded by a post-disaster influx of new assistance providers who have little knowledge of the context in which they are operating, including structures of inequality, chronic poverty, and vulnerability.

Women who survived the tsunami were especially vulnerable, confronting the challenges of collective living in large barracks, securing property rights in societies dominated by male-headed households, or establishing livelihoods after the loss of a husband. Children, the elderly, and the disabled also suffered disproportionately. Minority groups — the sea gypsy communities and migrant Burmese workers living on the Thai

coast, for example — struggled to assert their rights against encroaching property developers. Across the entire region, displaced renters and squatters, already disadvantaged prior to the tsunami, have often found themselves excluded from permanent housing schemes designed to replace the assets of homeowners.

Important questions of equity have also arisen in Sri Lanka and Aceh, where tsunami-affected populations often lived alongside or among large populations of people affected by decades of conflict. Many of these conflict victims have been waiting for housing assistance for many years and have been provided rations far more modest than those available to tsunami survivors. Because different aid agencies have employed different housing standards in many cases, concerns about inequity have also arisen between neighboring communities of tsunami survivors.

Some governments and aid providers have recognized these problems and have taken steps to try to ensure that the tsunami recovery process counteracts historic patterns of vulnerability and disadvantage. In India, for example, state authorities have implemented a special housing scheme for Dalit families to redress previously discriminatory policies. In Thailand, the government established a special commission to document the property rights of sea gypsy communities to land they had occupied for generations but for which they lacked ownership documents. In Aceh, for the first time, land titles are being issued in the names of both husbands and wives.

It is incumbent upon governments, donors, and assistance providers to ensure that relief and recovery efforts do not exacerbate historic patterns of vulnerability, discrimination, and disadvantage.





The financial resources, international focus, and openness to political and policy reform that often characterize a post-crisis period should allow us to build back better and break out of inequitable development patterns in a sustained way.

To further improve our record on these critical questions, governments, donors, and assistance providers should recognize that different parts of the affected population have different vulnerabilities and capacities and adapt their support accordingly. Donors must encourage the flexibility necessary for assistance providers to approach programming decisions in a manner that is informed, equitable, and addresses the particular needs of different

groups. Governments must capitalize on the opportunity provided after a disaster to commit to policy reforms that help reverse historically inequitable development trends. Mechanisms for analysis that capture pre-existing patterns of vulnerability and periodically track progress in addressing these patterns should be established early in a recovery effort. Grievance mechanisms can be a crucial instrument for redress, ensuring that recovery processes reflect the concerns, needs, and aspirations of vulnerable populations. For such mechanisms to work, vulnerable groups must be aware of their availability, and legal education for women and marginalized groups is therefore vital.

*A Sri Lankan family on the road to recovery after its brass making business was rebuilt.*

## Governments must enhance preparedness for future disasters.

**T**he world is increasingly more vulnerable to hazards of different kinds, from admittedly rare tsunamis to more common epidemics, floods, droughts, or storm surges. As the past few years have shown in devastating detail, few governments are sufficiently prepared to deal with them.

Governments must put in place robust systems that anticipate future disasters (and measures that mitigate them, as discussed below). Emergency response systems are a necessary but insufficient part of the answer. Preparedness must also include planning and preparation for recovery processes.

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For example, government officials must consider, ahead of time, how best to organize government agencies, institutions, laws, and finances to address large-scale reconstruction needs with minimal delay and maximum effectiveness. This includes predetermined lines of

authority among government agencies and the ability to put in place special laws and practices, such as tax incentives and short-term visa regulations. The aftermath of a crisis is the wrong time to create new institutions, establish new policies and legal frameworks, and recruit new staff, as all of this takes time. Confusion over responsibilities between new and existing institutions can also create major bottlenecks and delays, not to mention uncertainty among international partners that must deal with national, provincial, and local officials.

Although the tsunami's scale and ferocity would have tested the best-prepared governments — and in many places government facilities were devastated and hundreds of staff lost their lives — the tsunami revealed gaps in preparedness. On the emergency side, for example, there was an absence of protocols to enable military contingents to come in quickly and in a coordinated fashion to distribute relief supplies. On the positive side, many international organizations were able to hit the ground running with life saving supplies thanks to major improvements in regional stockpiling of supplies and equipment.

The gaps in planning and preparedness became even more evident as the effort transitioned to longer term recovery. Preparedness is not just about relief response, but also requires predetermined ways of working together with a range of stakeholders in rebuilding houses and schools, restoring income streams, training workers to participate in reconstruction, and activating procedures to allow materiel to clear ports and customs quickly. It means recognizing and supporting the central role that the private sector and local civil society organizations play in rebuilding communities and restarting economic activity.

Since the tsunami, governments throughout the region have prepared, and in some cases enacted, laws that establish new agencies and anticipate the availability of new resources for preparedness. These reforms need to be fully and rapidly implemented. The development of legal frameworks at the national and international levels to facilitate preparedness and response is fundamental. Governments, NGOs, and other relevant stakeholders should support the work of the International Federation of Red Cross and Red Crescent Societies and the UN International Law Commission in this area.





Villagers participate in a government-sponsored disaster evacuation drill in Cuddalore, India.



## Local governments must be empowered to manage recovery efforts, and donors must devote greater resources to strengthening government recovery institutions, especially at the local level.

Civil servants at the municipality, provincial, state, or district levels can provide an effective link between recovery assistance and sustainable development. These local administrations have a vital role to play and are usually uniquely placed to distinguish among, and respond to, the needs of individuals, households, and communities. But they can only do so if their capitals empower them to take this responsibility and make the day-to-day decisions needed to maintain the momentum of a complex recovery

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process and translate policies into implemented projects. Plans and strategies must also be built from the community up, with local authorities providing a vital line of communication to and from survivors.

After the tsunami, in some cases, governments were slow to move decision-making to local levels of government, and lines of authority among the different arms of government were not always clearly defined, adding to confusion and complicating relationships. Lack of capacity also hampered

government performance, and there has been insufficient investment in building local government and public service capacity compared to investments in rebuilding physical infrastructure. Nurses and teachers are as critical as clinics and schools.

The authority devolved to local administrators in India was a crucial factor behind some of the early successes of that country's recovery effort, which emphasized a multi-sectoral approach and strong participation at the community level. In Sri Lanka, UN-provided technical assistance to district level governments is building capacity and facilitating coordination, planning, and oversight of the recovery effort more generally. And in Indonesia, there is now clear recognition of the need for local governments not only to be involved but to lead the planning, decision-making, budgeting, and monitoring process, particularly at the district level.

Aid agencies must make capacity building of local government a central feature of their assistance packages, including setting aside dedicated funding for such programs. For their part, governments need to put in place decentralization measures and accompanying funding that recognize the vital role of local authorities in a recovery process. Respect for the fundamental role of local government should be a cornerstone of recovery operations.



Local authorities immunize children in Aceh.

## Good recovery planning and effective coordination depend on good information.

**T**he need for timely and accurate information runs throughout a relief and recovery process and is the foundation for good analysis. If the right information systems are put in place at the outset, the benefits are enormous. If information — on damages, requirements, and vulnerabilities — comes too late, it can be very difficult to catch up.

Information needs cut across all facets of an operation, from damage and needs assessments to recovery planning and progress tracking. Accurate information is the basic building block to

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ensuring transparency and accountability, both to donors and beneficiaries. It is a key to ensuring good quality analysis to identify the opportunities that exist for future development and to chart a

recovery strategy that goes beyond restoring what existed prior to the disaster. Over the past decade, there has been a sea-change in governments' willingness to invest in information systems and the people to operate them. For example, Humanitarian Information Centers, with people and equipment, are commonly deployed to a disaster site. However this commitment must be sustained throughout recovery and reconstruction — this dimension is as critical in month 18 as it is in month one. Agreement on systems and formats also should be reached in advance of disasters — not in their aftermath — and the information strategy should consider the entire recovery process in an integrated fashion.

National governments and the international community have reaffirmed the importance of rapid damage and needs assessments, which focus on those reconstruction tasks that are of highest priority to restore social and economic activity to pre-disaster levels. These assessments provide a basic indicator of the scale of the task ahead, in terms of both projects and finance needs. Undoubtedly, they use simple approaches to assessing needs, but these are robust and proven methods that have permitted reconstruction to start much sooner than would otherwise be the case. In the tsunami experience, the reconstruction needs assessments were produced in a matter of months by a combination of national government, UN, and International Financial Institutions (IFI) personnel often working together, and were notable for their quality. It is important this approach be consolidated in the future, as the sheer number of agencies involved in a large-scale operation increases the potential for duplication of effort. Rapid damage and needs assessments must allow international and local agencies and governments to operate from a shared data set and common overall recovery plan.

Such rapid assessments should be supplemented with more comprehensive information, such as socio-economic recovery strategies that address many other recovery issues beyond the re-supply of equipment and reconstruction of infrastructure and institutions. Such strategies include long-range studies of environmental and community impacts, economic diversification and the sustainability of different sources of livelihoods, the contribution of remittances to the development process, and the promotion of higher levels of health, education, and physical security for communities. While building on the needs assessments





prepared in the early stages of post-disaster work, these studies should go well beyond them to ensure fundamental social and economic transformations. Developing this kind of analysis will require coordination across numerous sectors and agencies, and, while there is general acceptance of the existing needs assessment methodology, there is much less clarity and consensus for these kinds of broader recovery assessments. Current efforts under the International Recovery Platform, launched in early 2005, to support a more coordinated UN system approach to recovery should be accelerated to this end.

Accurate information is also critical to financial tracking, progress monitoring, and evaluation efforts. Tracking financial flows in recovery efforts is notoriously difficult, largely because most financial reporting is voluntary and funding comes from many sources. The tsunami experience has not been different in this regard. In Thailand, Maldives, Sri Lanka, and Aceh, governments established aid management platforms to provide an online vehicle for a comprehensive inventory of projects, financial commitments, and disbursements. In general, such databases could play a crucial role in filling the longstanding gap on accurate financial tracking, but to do so, they need to come online very early in a recovery effort, enjoy wide support from all the organizations involved in the effort, and be tied more directly to the needs as identified in the formal assessments.

Information is also necessary to monitor and evaluate the quality of ongoing efforts, in terms of both outputs (e.g., number of schools and houses built) and impact on the well-being of the affected populations. Measuring the underlying quality of the recovery effort — for example, whether it is

addressing underlying patterns of disadvantage and vulnerability — requires a long-term commitment to data collection. In the case of the tsunami, the five most affected governments have launched such an effort under the auspices of the Tsunami Recovery Impact Assessment and Monitoring System (TRIAMS), which will be a multi-year process producing comprehensive reports based on common and country-specific indicators to assess impact of recovery. The goal is to generate information that will enhance capacity to steer recovery in an appropriate and sustainable direction.

The tracking of financial and physical progress can improve aid allocation and effectiveness if it is fully integrated into policy-making and implementation. Authorities responsible for coordination need greater capacity support so that data can be cross-checked, analyzed, and packaged in a form that supports government and aid agency decision-making. Stronger linkages with district-level government and agencies are required for aid tracking tools to support better district planning, identify bottlenecks, and help accelerate the pace and quality of delivery. Where used effectively, aid tracking tools have enormous potential to direct aid to neglected sectors and locations and reduce overlap.

It is crucial that all stakeholders buy into common standards, approaches, and methodologies. All recovery processes would greatly benefit from having a single information structure that can collect, analyze, and disseminate information, and that would have buy-in from local stakeholders, including the government, IFIs, NGOs, donors, and UN agencies. Aid agencies should also invest in building and better utilizing national capacity to collect, analyze, and disseminate information.

*Margareta Wahlstrom, Assistant UN Secretary-General for Humanitarian Affairs and Deputy Emergency Relief Coordinator, meets with stakeholders in an information sharing session in Sri Lanka in early 2005.*



## PROPOSITION 6

The UN, World Bank, and other multilateral agencies must clarify their roles and relationships, especially in addressing the early stage of a recovery process.

**T**he importance of the multilateral system in underpinning the work of the international community in recovery can hardly be overestimated. For this reason, we cannot ignore that clarification is needed on key issues, divisions of labor between agencies, responsibilities with respect to financing, and the nature of their partnerships.

The official multilateral system encompasses a wide range of organizations. It includes IFIs and UN agencies, funds, and programs. It also includes a dynamic group of regional organizations. From this multiplicity of organizations, governments can call upon myriad kinds of support, from loans, grants and technical advice, to relief goods, project management and, crucially, assistance in coordinating the flow of

international aid. Donor governments often direct a significant part of their contributions through such multilateral channels, and private donations to multilateral institutions are also on the rise. Many of these multilateral actors are implementers, distributing supplies, building houses, setting up vocational training schools, and conducting vaccine campaigns. They also have an important normative role, advocating for a particular issue or segment of the population whose voice otherwise may not be heard. My own responsibilities as the UN Special Envoy for Tsunami Recovery drew heavily on the UN's

unique convening authority to bring actors together around specific tasks. Governments traditionally turn to the UN for the same kind of support at the country level, where coordination is most important.

Recent years have brought visible improvements in the way the multilateral system organizes itself around an emergency relief effort, and this aspect of the tsunami response was effective. These well-honed relief systems have emerged from major efforts to pre-plan, pre-position, and rehearse operating procedures, negotiate common standards and approaches, and establish divisions of labor. The donors that finance this system (and have insisted on its reform) have been equally committed. The very existence of a Good Humanitarian Donorship initiative where donors have worked together to improve performance is testament to their level of engagement. As a result, when the tsunami hit the shores of the Indian Ocean, the people, funds, and equipment necessary to mount emergency assessment teams, information centers, logistics hubs, communications networks, and aviation assets were deployed quite rapidly where they were needed. (India and Thailand had strong national relief systems in place that were able to mobilize rapidly, requiring less intensive international engagement.)

Although there is broad agreement that planning for the recovery phase must commence as early as possible in the emergency relief phase, there is less clarity about the appropriate institutional and financial arrangements for the multilateral community, at least in the early months of a recovery process. The transition from emergency to recovery and reconstruction is notoriously difficult in the best of circumstances. Multilateral

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actors must nevertheless determine how they can better manage this transition, which was certainly a challenge in the tsunami context.

With the active engagement of their member governments, these multilateral actors need to reach clear agreement on a range of issues. A common analytical framework and a clear institutional leader for assessing and costing needs for the initial recovery investments will be an important starting point. A new willingness to provide funding for the unglamorous but vital work of coordination — managing information, drafting strategies, developing plans, even running meetings — combined with broader consensus on divisions of labor is also essential. The increasing use of multi-donor funds to pool resources is a positive development but their ability to disburse quickly in the first year of an operation needs to be ensured. Real progress in this area will

also depend on consistent guidance from the governments sitting on the boards and councils of these organizations. When different parts of the same government encourage three or four different agencies to specialize in the same area, it creates the conditions for unhealthy competition.

Given these concerns, I am greatly encouraged by the findings of the Secretary-General's High Level Panel on System Coherence, which reported its conclusions in November. The panel's call for a clearer division of labor between the UN and the World Bank, for "more flexible UN interim funding mechanisms that could address transition issues," and for a clear UN institutional leader for early recovery deserves wide support. Most importantly, the panel has called for an empowered UN coordinator at the country level and a range of measures to ensure that the UN operates "as one."

*Seated at table from left to right: Ann Veneman, Executive Director, UNICEF; President Bill Clinton, Special Envoy for Tsunami Recovery; Eric Schwartz, Deputy Special Envoy for Tsunami Recovery; and Ad Melkert, Associate Administrator, UNDP, at the Global Consortium for Tsunami Recovery.*





## PROPOSITION 7

# The expanding role of NGOs and the Red Cross/Red Crescent Movement carries greater responsibilities for quality in recovery efforts.

**H**aving received over one-third of total funds pledged for tsunami recovery, NGOs and the Red Cross/Red Crescent Movement face new roles, responsibilities, and challenges. While many NGOs are already engaged in improving their policies and practices, the tsunami response highlighted some continuing challenges.

NGOs and the Red Cross/Red Crescent Movement received over \$5 billion for tsunami recovery. Sitting at the forefront of relief and recovery,

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they have played a critical role in a range of activities, such as providing temporary shelter, helping rebuild schools and houses, and providing micro-finance for affected populations. But this expanded and significant role in recovery brings an added level of responsibility for NGOs, which are functioning both as donors and implementing agencies. Moreover, the scope of the tsunami response has increased the challenges that existed in prior recovery efforts. In effect, both the size of the tsunami challenge and the unprecedented resources at NGOs' disposal have raised the stakes for them: they have gained prominence, are financed independently, and are widely trusted by the public at large. Never before have the pressures been greater to demonstrate they can meet the challenges of sustainable recovery.

Since the Rwanda crisis, many NGOs have been active in scrutinizing and learning from their own experiences. This has led to the development of a range of initiatives to enhance performance, including the Sphere Standards, the Humanitarian Accountability Partnership International, and the Red Cross Code of Conduct. In the tsunami context, NGOs and the IFRC participated in the Tsunami Evaluation Coalition, and individual NGOs and umbrella organizations have issued numerous reports detailing, examining, and evaluating their tsunami activities, including providing funding information. In collaboration with my UN office, many leading U.S. NGOs, working closely with partners in Europe, Australia, and the tsunami-affected region, undertook the NGO Impact Initiative to analyze and improve some of the systemic challenges NGOs have faced in the tsunami and other recovery efforts. This added level of scrutiny has highlighted several critical policy and operational challenges for NGOs in humanitarian response.

Through the initiative, NGOs put forward a range of specific recommendations for their sector in the areas of accountability to affected populations, coordination, enhancing local capacity, human rights, and professionalism. I welcome their commitment to improve humanitarian response, reflected in three broad and critical objectives that they have identified.

First, the NGOs have called on their community to build better partnerships for sustainable recovery. In particular, international NGOs should accelerate and expand efforts to recognize and promote the leadership of local communities, local aid groups, and, where appropriate, affected governments in recovery from major disasters, and



they should make the strengthening of local capacity in recovery from an emergency a priority equal to that of service delivery. I support the NGOs' call for strengthening investments in local capacity building and reporting systematically on such activities; enhancing community consultation mechanisms and undertaking audits to measure NGO accountability to affected populations; strengthening coordination with local NGOs and committing greater resources to effective coordination; and enhancing expertise, information-sharing, education, and policy implementation on a rights-based approach to recovery.

I also endorse the NGO call for improved quality assurance measures, including the promotion of optimal standards of professional conduct in their humanitarian response. This includes development of a common agreement on professional standards to ensure quality management,

successful aid delivery, and effective engagement with local communities. NGOs should also draw on existing quality assurance initiatives to develop a mechanism to promote and verify optimal standards of performance by NGOs. Furthermore, NGO consortia and networks should identify specific tasks and functions in relief operations that ought to be staffed by trained or certified personnel, and consider means for professional accreditation.

Through the NGO Impact Initiative, NGOs also voiced an appeal for informed and responsible giving. Donors must support actions that reflect best humanitarian and development practices, recognizing that recovery is a long-term process. International NGOs, in turn, must educate the public and the media on the components and nature of effective and sustainable disaster preparedness and response.

*In February 2006, the International Federation of Red Cross and Red Crescent Societies added 35 heavy-duty trucks to its fleet in Indonesia to deliver 20,000 transitional shelters in Aceh.*

## From the start of recovery operations, governments and aid agencies must create the conditions for entrepreneurs to flourish.

**A** sustainable recovery process depends on reviving and expanding private economic activity and employment and securing diverse livelihood opportunities for affected populations.

After rescue and relief, livelihoods are initially restored by re-supplying finance, equipment, inputs, and physical infrastructure. But policies, trading relationships, and public institutions must also be revived and reformed to restart economic activities rapidly.

Most recovery efforts aim for a return to pre-disaster levels of household income, economic activity,

and employment.

This is insufficient, especially in poor and vulnerable communities, and even more so in conflict areas. The status quo ante has often been a root cause of the disaster, with the desperate search for subsistence leading people to livelihoods based on unsafe settlement patterns, unsus-

tainable exploitation of natural resources, and conflicts over resources. Aid efforts can exacerbate these vulnerabilities, for example, by distributing boats without attention to the carrying capacities of fish stocks and livelihood investments that take insufficient account of sustainability. Recovery efforts must be better informed by economic realities if they are to take advantage of genuine opportunities to encourage new investment and, in turn, create more diverse and sustainable sources of income.

Moreover, in order for aid efforts to be equitable and effective, they should promote a range of opportunities for men and women, entrepreneurs and workers, young and old, and those with differing abilities.

Both the government and the private sector play a role in generating equitable growth. Rapid, strong, and durable recoveries depend on the emergence of private sector-led activity and self-financed entrepreneurs, farms, and firms. Governments and their supporters in the aid community have a responsibility to create an enabling environment for the development of competitive markets and competitive advantages throughout the affected region through appropriate policies and investment in the infrastructure needed to stimulate trade and investment.

National governments, together with domestic and international agencies, implemented a large number of programs to re-establish livelihoods in the tsunami's aftermath. These included temporary income transfers for social protection (which permit households to re-focus on work after a catastrophe and facilitate risk-taking by entrepreneurs), cash-for-work programs (supporting temporary income generation), asset replacement (promoting the revival of businesses), and capacity development programs. Such measures have, at a minimum, helped avoid an erosion of living standards in the tsunami-affected communities.

Moreover, rebuilding requirements have created thousands of new jobs in the construction industry and other sectors. But this alone will not yield higher longer-term growth or reduce economic vulnerability. Imaginative policies are required to stimulate risk-taking, establish competitive markets, and build upon the spirit of enterprise among the affected populations.

A sustainable recovery process depends on reviving and expanding private economic activity and employment and securing diverse livelihood opportunities for affected populations.





At the broadest level, this involves creating an enabling environment for businesses. Targeted tax and subsidy arrangements for employment creation and economic diversification can play a catalytic role in the early stages of recovery, but these should be replaced as soon as feasible with policies that support entrepreneurial activity, establish a level playing field for business in the affected areas, and encourage sustainable microfinance institutions. For example, farmers may need free seeds and agricultural extension services initially, but aid efforts must become more oriented toward supporting the markets for these services in the future.

A sustainable range of microfinance services — including remittance mechanisms, savings, credit, and insurance — has to be put in place early in a recovery effort. National governments and formal financial institutions need to make funding available, perhaps supported by transitional guarantees by official or private entities. Together, the range of services offered by such institutions can provide a powerful platform to reactivate small and medium enterprises, catalyze entrepreneurial energy, and create new micro-enterprises.

Realistically, however, not every household will run their own business, nor should they need to. Mostly, households find their way out of poverty and economic vulnerability through intensive use of

their own labor. Aid can jumpstart livelihood recovery, but programming efforts must recognize that sustainable job creation is ultimately an outcome of private sector development. To complement damage and loss assessments, affected governments and their national and international development partners should develop a parallel, but linked, strategy to identify how best to create an enabling environment for promoting private economic activity. This should include a plan for accelerated and reasonably stable wage employment. Partnerships with national and international business actors should be established — as a source of technical inputs and financing and to provide access to markets for the products of the affected regions. Governments should call on international business leaders to provide periodic advice on how best to create the critical enabling environment for investment and for entrepreneurship more generally.

In tsunami-affected countries, we have seen a number of efforts to promote this kind of private sector activity, including expansion of tourism in the Maldives linked to strategies to promote local employment opportunities, plans for rationalization of microfinance in Sri Lanka, and investment promotion in Aceh. But such measures need to be expanded and accelerated in the months and years to come.

*Thriving local business in Aceh.*



## PROPOSITION 9

# Beneficiaries deserve the kind of agency partnerships that move beyond rivalry and unhealthy competition.

**T**he scale of a recovery process can require harnessing efforts across an extraordinary array of organizations, local and international. How well they work together can determine the quality and outcome of the recovery process.

Different organizations will naturally bring different strengths to bear, from technical expertise, to local knowledge, to funding, to name a few. Agencies — local and international — will be most effective when they are committed to effective partnerships. This

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may involve pooling resources, sharing a common strategy, looking for ways to divide work efficiently, and providing an integrated response to affected communities. Partnerships can and should include governments, international organizations, and NGOs.

The most important partnerships may be between local and international actors. “Outside” organizations with long-standing, established relationships with local partners — or even a national sister agency — are invariably better equipped to make good use of local knowledge, skills, and personnel, and thus get the job done better and faster. Establishing such partnerships is very difficult in a disasters’ wake and should be pursued and consolidated in times of normalcy.

There have been many good stories of extraordinary partnership and collaboration in the tsunami effort. Private companies (from the region and from much further a-field) joined hands with NGOs, UN agencies, or the affected communities, providing shipping and trucking services, health equipment and drugs, communications equipment, and cash, to cite a few examples. Within their own countries, these companies used alliances and chambers of commerce to share experiences and pool resources. The military services of some 40 countries collaborated in the operation’s early weeks, working together and with the host governments. In the United Kingdom, a number of the largest NGOs launched a single appeal through the Disasters Emergencies Committee (DEC) rather than fundraising separately. The International Federation of the Red Cross and Red Crescent Societies played a pivotal role in underwriting a massive operation to move up to 70,000 Acehnese out of tents and into quality transitional shelters in an operation that illustrated partnership at its very best, with government, NGOs, and the UN all working closely to address an urgent need. Some 40 or more government aid agencies and NGOs joined together to form the Tsunami Evaluation Coalition, which has undertaken far-reaching assessments of the operation. Where partners had practiced working together, the results were visibly better and faster. My own office at the UN has greatly benefited from this kind of partnership approach, with seconded staff from a variety of UN agencies, the World Bank, the NGO community, and the Red Cross movement.

We need more such partnerships in action: NGOs that form consortia; private companies





that enter long-term partnerships with NGOs; civil-military cooperation; and collaborative evaluation processes. The DEC model in the United Kingdom is an important one and worthy of further investigation for application in other countries. Most importantly, organizations need

to start “practicing” partnering. We should take a page from the military book and set up training scenarios that bring different organizations together to plan for recovery as teams. The UN is uniquely placed to be the primary convener of such types of cooperation.

*Community cleanup on an island affected by the tsunami in the Maldives.*



## Good recovery must leave communities safer by reducing risks and building resilience.

A key test of a successful recovery effort is whether it leaves survivors less vulnerable to natural hazards. It is therefore vital that recovery plans identify the mechanisms to substantially reduce risk, and the resources for implementing such plans must be included from the outset. Successful risk reduction pays for itself many times over in the form of disasters avoided and lives safeguarded.

The imperative of worldwide disaster reduction and prevention may be the most valuable lesson we can learn from the tsunami. A few weeks after the

*A key test of a successful recovery effort is whether it leaves survivors less vulnerable to natural hazards.*

tsunami, 168 governments participated in the World Conference on Disaster Reduction, in Kobe, Japan, and agreed to the Hyogo Framework for Action 2005-2015. Thanks to

such efforts, we know what we need to do to reduce risks and vulnerabilities. Now the challenge is to move from words to action.

Recovery efforts should, at minimum, ensure that communities become safer than they were before the disaster. We must bear in mind that each brick laid in the recovery process can either contribute to risk reduction or become an enabler for the next big disaster. Schools, homes, and other buildings and critical infrastructure should be rebuilt to higher standards and on safer ground. Restoring a community physically, only to leave it just as vulnerable to hazards as it was before the disaster, is unacceptable.

The tsunami also tragically reaffirmed the importance of early warning systems. Fortunately,

important progress has been made in developing early warning capacities as part of the tsunami recovery effort. Across the Indian Ocean region, 29 governments are building a regional tsunami early warning system that is already operational, although it will need continued improvements over the coming years. Along the coastlines of affected countries, governments have installed signs for evacuation routes, siren towers, and local early warning centers, signaling an important shift in attitudes toward preparedness. The death toll from Indonesia's most recent tsunami — in West Java in July of this year — further underscored the critical need to build local systems to transmit warnings to coastlines and educate the public in how to respond.

Education and public awareness can save lives. Many examples demonstrated that people who had prior knowledge of natural hazards, and who knew what to do in the case of a tsunami, were more likely to escape and survive. Local people on Similue Island in Indonesia and members of the Moken population in Thailand survived thanks to traditional knowledge that had been passed from generation to generation through oral histories and songs. Many tourists in Thailand were warned about the tsunami by a young British school girl who had learned about tsunamis at school and recognized the warning signs. Disaster reduction awareness must become an integral part of school programs and public awareness strategies in all countries, as worldwide travel has dramatically increased the numbers of people who could be affected by natural hazards.

The tsunami revealed that healthy coastal ecosystems can contribute to natural mitigation.





While not a substitute for early warning and other risk mitigation efforts, efforts to protect mangroves, coral reefs, and other natural vegetation must be — and have been — part of the recovery process to ensure that reconstruction does not heighten risk. In addition, in Aceh, sources of timber for housing materials are being monitored to ensure that shelter programs do not increase deforestation.

Legal frameworks must be in place to ensure that disaster reduction becomes a priority at national and local levels. Several countries have made progress in this area. India has established a new disaster management authority and greatly expanded its

community disaster preparedness efforts, including multi-million dollar investments in an early warning system. Sri Lanka and the Maldives have passed landmark disaster management legislation, and a bill on disaster management is under consideration in the Indonesian parliament.

Still, systematic progress on risk reduction remains elusive. Time will tell whether we have learned the key lessons about the implications of disaster risk for development planning. Ambitious legislation needs to be followed by equally ambitious long-term financial investment and training and a mainstreaming of risk reduction in recovery and development strategies.

*The tsunami's destruction in Aceh.*





# Conclusion

**T**here is much to celebrate about the tsunami recovery process so far, from the extraordinary work of the thousands of first responders — neighbors, Red Cross workers, and citizens, initially from the affected countries and then, rapidly, from much further a-field — to the thousands involved in recovery today. Many tens of thousands of homes, schools, and health facilities have been rebuilt, children are back in school, economic growth has accelerated throughout the region, and key sectors, from tourism to fisheries to construction, are

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on the rebound. In addition, there is a new appreciation of the critical importance of disaster risk reduction, and governments in the affected areas have taken measures to translate rhetorical support for prevention into action. Progress in reconstruction does not diminish the importance of exploring the myriad challenges encountered in the recovery process, examining gaps in performance, and considering lessons learned. Even if we substantially enhance our efforts at risk reduction, the reality of climate change, settlement patterns, and poverty suggests that natural hazards will continue to result in disasters that require well-managed recovery efforts. I hope that the observations and

recommendations in this report help to enhance the quality of ongoing responses in the affected region, as well as promote more effective recovery in future operations across the globe. That would be the most fitting way to honor the memory of the more than 200,000 people who lost their lives in the Indian Ocean tsunami of 2004.

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*Sri Lankan woman and child after the tsunami.*







OFFICE OF THE UN SECRETARY-GENERAL'S  
SPECIAL ENVOY FOR TSUNAMI RECOVERY

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