



# CLIMATE & DISASTER RESILIENCE

## Mercy Corps' Approach

MARCH 2020

**We work on the frontlines of the climate crisis. We support people in fragile contexts to adapt their lives to new risks, and to transform communities and economies over time.**

Climate change is a devastating force, leading to a hungrier and more vulnerable world. It destabilizes economies, fuels insecurity, cripples productivity, and weakens social institutions.<sup>1,2</sup> The United Nations reports that climate-related disasters (including floods, storms, droughts, and heatwaves) accounted for more than 90% of the world's disasters between 1998 – 2017.<sup>3</sup> The people and communities where Mercy Corps works are on the frontlines of these challenges. They are more exposed to extreme weather events; disproportionately reliant on natural resources for their livelihoods; and least able to cope with, and adapt to, shifts in weather patterns and negative impacts on the environment.

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1 Sustainable Development Goal 13: Climate Action

2 A New Climate For Peace, 2017

3 Economic Losses, Poverty & Disasters: 1998-2017 (2018). UNISDR and Centre for Research on the Epidemiology of Disasters.

<https://www.unisdr.org/we/inform/publications/61119>

As an organization rooted in humanitarian action, we prioritize response to and recovery from disasters – from extreme weather events to climate-fueled conflict and displacement. Alongside this, we apply our expertise in harnessing the power of market systems and good governance to scale solutions that enable communities to access and apply the knowledge and tools they need to transform in the face of acute disasters and the climate crisis.

## Our Principles

- Design for Fragility:** Conflict risks and weak governance severely limit the application of many commonplace climate change adaptation (CCA) and disaster risk reduction (DRR) strategies. Our approaches are specifically designed to confront these constraints, while addressing the root causes of fragility. In designing our approaches, we rely on [our significant experience leading complex upfront analyses](#) which take into account ecological, economic and social dynamics.
- Strengthened Ecosystems:** Those most vulnerable to climate change and disasters are disproportionately dependent on natural resources, while also living in extremely degraded environments. Our work seeks out CCA and DRR solutions that strengthen ecosystems and the services they provide to communities.
- Champion Gender and Inclusion:** Populations are not homogenous. Gender, ethnicity, age, education, socioeconomic status, and culture influence vulnerability. Our strategies are directly shaped by these considerations and aim to advance inclusion outcomes by mitigating gender and social dynamics that perpetuate and exacerbate conditions of vulnerability.
- Harness Technology:** Innovation is critical to effective climate and disaster solutions. We seek to harness and scale technology solutions for risk reduction and adaptation services such as water monitoring, early warning systems, climate and weather information services, as well as banking and insurance products.

## Our Approach

Our climate change adaptation and disaster risk reduction work supports humanitarian and development progress through a set of adaptable approaches, and works across local, national, and transboundary scales.



### **RISK REDUCTION SERVICES**

**Increase equitable access to, and use of, information and financial services**

Institutions in fragile contexts are constrained, failing to provide critically important risk reduction services. Increasing access to climate, weather, and early warning information can help individuals, households, and communities make decisions that reduce their risk to climate change and sudden onset hazards, such as floods. Bundling information with affordable financial services (such as loans, savings, and insurance) ensures users can make investments to reduce their risk or more quickly recover from damages. Our approach is defined by a client or user – both their unique needs and their social and cultural contexts.

- Advanced Weather Information Systems:** In Mongolia, we scaled a real-time, on-demand information system for pastoralists. Now under the management of the Government of Mongolia, the hyperlocal SMS-based system delivers weather forecasts, early warning information, and pasture yield information.

**Innovations in Disaster Insurance:** Mercy Corps is piloting innovative technology and financial structures to bring disaster insurance to remote populations. Mercy Corps co-founded Microinsurance Catastrophe Risk Organization (MiCRO), an index-based natural hazard insurance product, which is triggered in the face of extreme events such as excessive rainfall, severe drought, and earthquakes.



## **GOVERNANCE AND NATURAL RESOURCE MANAGEMENT**

**Strengthen the capacity of institutions and communities to operationalize policies that reduce risk and sustainably manage natural resources.**

Weak governance is a substantial roadblock to climate and disaster resilient development. It compounds natural resource degradation, inhibits climate-smart economic growth, and perpetuates inequalities. Our work promotes an inclusive environment, focusing on empowering stakeholders and community representatives to assess their vulnerabilities, and collaborate on risk reduction policies and plans.

**Scalable Sub-National Adaptation Planning:** In Kenya, we partnered with Ward-level governments and communities to integrate innovative climate resilience action plans into local planning processes. Based on inclusive resilience assessments, Ward Adaptation and Planning Committees (WAPCs) developed detailed plans that informed local budgeting and policy processes, as well as community scale resilience investments. Through a truly inclusive approach, a gender strategy was developed, strengthening the representation of woman in local governance.

**River Basin Scale Flood Risk Management:** In Indonesia, Mercy Corps evolved its successful programming on flood preparedness and response, to address the root causes of flooding. The program built coordination platforms across the basin through the establishment of a transboundary forum, and used ecosystem modeling to inform a strengthened approach to coordinated flood risk reduction investments.



## **CLIMATE-SMART LIVELIHOODS**

**Diversify and increase economic opportunities that reduce climate and disaster risks.**

The most vulnerable livelihoods are those that are dependent on natural resources. Our strategies seek to diversify livelihood options, while supporting adaptation of existing strategies to manage current and future climate and disaster risks. Our [Resilience Design in Smallholder Farming](#) approach helps farmers anticipate climate shocks and adjust their practices to improve soil health and water management.

**Harnessing Digital Technology for Climate Resilient Agriculture:** Mercy Corps is working across Nigeria, Ethiopia, Kenya, Uganda, Tanzania, Zambia, Zimbabwe, and Indonesia to ensure small-scale farmers are able to adapt to the impacts of climate change. The program leverages the power of technology and partnerships with the private sector and government, to develop digital products and services that smallholder farmers need to increase their productivity, incomes, and climate resilience.

**Economically Sustainable Disaster Risk Planning:** In Nepal and Timor, Mercy Corps pioneered an integrated DRR and market systems development (MSD) approach. The approach facilitates community scale investments in disaster risk interventions, while establishing links to local markets in order to support their long-term sustainability via the income derived from diversified livelihoods.



## CLIMATE AND CONFLICT

### Reduce the climate drivers of conflict and violence.

Extreme weather events, natural resource-based livelihood insecurity, food insecurity, and changing transboundary water flows can increase the risk of conflict. While the relationship between climate change, socioeconomic and political variables, and insecurity is complex and context specific, we understand enough to know that action is critical. Mercy Corps addresses [climate and environmental drivers of conflict](#) by strengthening institutions, supporting livelihoods, managing competition over resources, and using environmental issues to strengthen social cohesion.

- Decreasing Conflict Through Better Land Management:** In Mali, Mercy Corps is partnering with government institutions to decrease conflict over land and other natural resources. The multifaceted approach includes participatory resource mapping to better understand trigger points for conflict, and the development of action plans which formally delineate principles of land allocation and regulation.
- Strengthening Ecosystem Services for Conflict Reduction:** In the North Kivu region of the Democratic Republic of Congo, we are applying sophisticated ecosystem modeling to help communities come together to make strategic investments to improve their local environmental conditions. The implementation of these investments reduces disaster risk while improving social cohesion, limiting conflict.



## CLIMATE FINANCE

### Increase equitable access to innovative climate finance.

It is estimated that from 2020 onward, the world will need to invest \$5.7 trillion annually in green infrastructure and other adaptation and mitigation efforts to avoid the worst impacts of climate change.<sup>4</sup> Much of the adaptation money is needed for Least Developed Countries (LDCs) and fragile states. To meet this challenge, public funds must be complimented by a marshaling of private sector finance for commercially viable models. Investments must also be made in innovative financial structures to ensure funding reaches those who need it most.

- Scalable Structures for Public Climate Finance:** In Kenya, Mercy Corps supported the establishment of community structures for one of the first devolved public climate finance mechanisms in Africa. These structures are designed to manage the deployment of public funding for the implementation of Kenya's National Action Plan (NAP) as it flows from global sources, to the national government and down to communities and households.
- Innovative Flood Resilience Financing:** Mercy Corps is a member of the [Zurich Flood Resilience Alliance](#). Through this partnership, Mercy Corps is finalizing a feasibility study for an impact bond to improve flood resilience in the city of Pekolongan, Indonesia. In this pilot program, an investor will provide financing for flood resilience interventions (e.g., planting of mangroves) and receive a return on their investment if agreed-upon outcomes are achieved by the service provider within a pre-defined period.

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<sup>4</sup> [World Resources Institute](#)

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### About Mercy Corps

Mercy Corps is a leading global organization powered by the belief that a better world is possible. In disaster, in hardship, in more than 40 countries around the world, we partner to put bold solutions into action — helping people triumph over adversity and build stronger communities from within. Now, and for the future.



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