WHEN DISASTER STRIKES

An Action Plan for Preparation and Response for the Unexpected in Central America
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INTRODUCTION

In the fall of 1998 Hurricane Mitch struck Central America and devastated Honduras and Nicaragua. In January 2001, an earthquake hit El Salvador that reached 7.6 and 6.6 on the Richter scale with months of subsequent aftershocks. Central America is an isthmus of land situated in a particularly unstable region of the earth’s crust making it vulnerable to earthquakes and volcanic eruptions. The location of Central America also makes the region susceptible to hurricanes which originate in the Caribbean and the Gulf of Mexico. Disasters disrupt livelihoods, economies and basically everything that makes society work.

The Katalysis Partnership is dedicated to helping families living in persistent poverty to become self-sufficient. In Central America we provide support to 11 local microfinance organizations assisting them to be sustainable, high quality institutions. We provide strategic technical assistance to develop and/or strengthen capacity within the institution; resource mobilization to access loan capital; and a lateral learning environment that maximizes efficiency of technology transfer.

Although Katalysis Partnership is not a disaster relief organization, the Katalysis Central American network of 11 organizations serves over 90,000 low-income entrepreneurs who live in a disaster prone region. We realized that a plan for preparation and response to natural disasters was necessary as a means to minimize the trauma, mitigate the risk of loss of loan capital due to disasters and maximize the potential for a quick response to our Partners and their clients.

The expected impact of this Action Plan for Preparation and Response to Natural Disasters is that the Katalysis Partnership, as an institution with three levels, will be better prepared to manage the situation when a natural disaster strikes. We know that storms happen and strong “buildings” survive storms. By preparing well-developed systems and policies to manage a disaster situation, the Katalysis Partnership will not only have a better peace of mind; we will be able to more effectively and rapidly address the problems of the low-income vulnerable clients we serve.

Katalysis Partners
who form the Katalysis Network
• Systems & policies in place to respond to their clients needs

Network Secretariat
• Assists partners in preparing systems
• Supports affected Partners in the aftermath

Katalysis Headquarters
• Supports the Network Secretariat
• Communicates with donors
The Katalysis Partnership developed this document in conjunction with the Network Secretariat staff and it was approved by the Partner organizations who agreed to enact this plan. Each organization was scheduled to receive specialized training by a technical staff member of the Secretariat, and to designate one of their staff members as the disaster coordinator. At Katalysis headquarters, responsibilities have been assigned to various staff members to respond quickly when disaster strikes in Central America.

We believe that the *Katalysis Partnership Action Plan for Preparation and Response to Natural Disasters* will be an invaluable contribution to preparing for and responding to natural disasters that sweep the region of Central America. It is a fluid document that we hope will receive new energy and form as each additional organization partakes of it.

If you have any questions or comments, please feel free to contact us:

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Program Department
1331 North Commerce Street
Stockton, CA 95202

Tel. (209) 943-6165
Fax. (209) 943-7046
Partner Response
#1 lesson: Prepare your institution beforehand for a disaster. Build well.

This guide is a compilation of helpful hints to assist your institution in preparing for a natural disaster and responding to the outcome. You may have some other ideas to add to it that will better adapt this guide to your context. Remember you are not alone.

Contents:

BEFORE
1. Getting Prepared
   • Preparing your Institution
   • Preparing your Staff
   • Staff Support

DURING
2. When the Disaster Hits
   • Take cover and Stay Safe
   • Initiate the Disaster Response Plan

AFTER
3. Post Disaster Operation
   • Institutional Priorities
   • Call to Order ~ 1st Staff Meeting
   • Assessing Impact on Clients and their Businesses
**BEFORE**

1. **Getting Prepared**

*You and your staff should prepare and practice what to do during and after a disaster.*

Plan your needs. Delegate tasks. Write down and exercise your plan before it happens.

**PREPARING YOUR INSTITUTION**

1. Back up data from your computer and place in a safe place (every 2 weeks or monthly; keep one set of disks and a computer with records off site)

2. Your Institution should consider making a disaster fund in their budget. This can be a loan guarantee fund developed by taking a small percentage of the interest and placing it in

3. Have your clients set up a guarantee fund that is designated for disaster response. This could be a percentage of their loan. When their loan is paid off, they can get the money back.

4. Develop a disaster response policy in order to minimize your portfolio at risk. For example:
   a) Temporarily suspend collections (principle and interest) from affected clients for a determined time. (This will depend on the gravity of the disaster.)
   b) If it is possible, allow the client to withdraw their savings without penalty.
   c) You should not disperse any new loans until you have taken stock of the situation at hand.
   d) You should not forgive any loan. The institution must maintain its financial image.

**PREPARING YOUR STAFF**

1. Know the safe and dangerous places in your office (headquarters and agencies).
2. Plan and practice evacuation drills using two different escape routes from each room for all types of disaster: earthquakes, floods, hurricanes, and fires. Escape routes may be different for each disaster!
3. In the case of a flood, decide where the important equipment will be placed to be out of harms way.
4. Have your staff Sign up for a first-aid course, including cardio-pulmonary resuscitation (CPR).
5. Have your staff arrange a contact plan with their family members if they are separated from their family when the disaster strikes. When your staff knows that their families are safe, they will be able to assist more in the office and with their clients. For instance, their children are to go to their neighbors or to another family members’ house in the neighborhood. Each family member should carry the contact phone number and address.
6. Give special assistance to anyone who is handicapped, pregnant or elderly.
7. Remind your staff and their families to rely on emergency authorities for guidance. Broadcast reports on radio and television will have instructions.

For an Earthquake:

Safe: under heavy tables or desks; inside hallways; in doorways or archways.

Dangerous: near windows or mirrors; under any objects that can fall; the kitchen... where the stove, refrigerator or contents of cupboards may move violently. Practice taking cover.

Have a disaster kit ready! Here are some ideas:

- First-aid kit with tranquilizers, iodine, cotton balls, etc.
- Water purification tablets and water jugs
- Flashlight/batteries stored in waterproof bags.
- candles/lighter
- Transistor radio/batteries stored in waterproof bags
- Blankets
- Basic supply of non-perishable foods
- List of relief agencies, key contacts
- Check your generator and maintain a supply of back-up fuel.
- Maintain a supply of fuel for your vehicles
- **THIS DISASTER EMERGENCY PLAN IN A PLASTIC BAG!**
Establish a post-disaster structure!

1. The Executive Director is in charge—if he/she is unable to perform duties, the first deputy is the________________, the second deputy is the________________, and so on.

2. Set up a buddy system amongst the staff, so that they can call each other to make sure that everyone is safe. The buddies should then call in to their supervisors. Moral support is critical when a disaster strikes. Being prepared beforehand will ease the trauma.

3. The promoters will be the most important key players in the post-disaster efforts. They will be involved in visiting clients and collecting basic data. *It should be assumed that not all of the promoters will be in a position to assist the process and therefore, promoter responsibilities will need to be divided.*

4. Promoters may want to work in teams. Encourage them to work as they feel comfortable. Two promoters covering the same work may take longer, but may be more productive in the long run.

A Word about Trauma:

Traumatic experiences shake the foundations of our beliefs about safety, and shatter our assumptions of trust of what is ‘normal’.

Because they are so far outside what we would expect, we can feel fear and helplessness. These events can also provoke reactions that can make us feel strange and "crazy". To ease the stress and effect of the trauma, encourage the affected person to recall the event, to express feelings, and to gain some sense of mastery over the experience. Just listening will go a long way…. 
Here is an example of a buddy system (P = Promoter):

Central Office:
Staff here to use similar buddy system

Branch Manager

Branch Manager

Branch Manager

Branch Manager

Branch Manager

Branch Manager

Branch Manager

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VERY IMPORTANT TO CONSIDER BEFORE A DISASTER OCCURS

The idea of this scheme is to form an internal chain of communication so that each group can logically organize themselves in order to provide mutual support to everyone in the organization.

Your moral support is very critical during the shock of disaster.
DURING

2. When the Disaster Hits

When you hear that a disaster is on its way—like flooding/a hurricane—start preparing right away!! It is better to take precautions rather than be caught by surprise!

TAKE COVER AND STAY SAFE!

Hurricane: Cover up windows, put important pieces of equipment in a secure place—off the floor where water damage may occur.

Flood: Place important equipment and files upstairs or on top of tables.

1. Do not panic.
2. Calmly go to the safe places in your building which were identified in your evacuation plan.
3. When it is safe:
   a) Check for injured colleagues
   b) Get the first aid kit, and if injuries are severe, get help.
   c) Contact your families. Remember everyone will be trying to use the phone and lines will be busy!!
   d) In the case of an earthquake, place fragile items on the ground, secure bookcases so they don’t fall over and place computers on the ground in case of aftershocks.

INITIATE THE DISASTER RESPONSE PLAN

1. Determine which staff is able to participate in post-emergency team
   • Decide the chain of command-- Who will be involved in what stage of the plan?
2. Begin Staff Contact Plan
   • Support co-workers and assess the damage of your staff (their homes, families, etc.)

OJO! Katalysis Partners: demonstrate your solidarity by sending a fax, e-mail and calling to the Partner(s) that has been affected by the disaster.
You know your staff are safe and that they know that their families are safe. Your Disaster Response Team is named and ready to go. Now your institution is ready to get out and see the impact on your clients’ lives.....

INSTITUTIONAL PRIORITIES

1. Provide moral support and comfort amongst each of you as staff.
2. Provide moral support to the clients.
3. Assess the damage suffered by your clients, systematize the gathering of this information, and feed it to relief agencies, USAID, and Katalysis.
4. Determine the amount of the portfolio affected by the disaster by calculating the cumulative outstanding balance of the loans owed by clients who have:
   - passed away
   - lost their homes
   - lost productive business assets (fixed and current)
   - been severely wounded and cannot work in the near future.
5. Determine which loans will be refinanced or restructured, according to the circumstance. Some guidelines to consider:
   - Restructure loans where: homes are lost but productive assets are still available and/or clients are severely wounded.
   - Refinance loans where productive assets have been lost.

Make sure that this information is fed to the Katalysis Headquarters in Stockton and the Network Secretariat office as soon as possible, so that they may work to assist your organization.
CALL TO ORDER: THE FIRST STAFF MEETING

1. Let them talk about their experiences and how they felt during the disaster.
2. Designate some office staff to begin to assess the extent of damage to the office equipment like:
   - Computer hardware
   - Building infrastructure
   - Files—water damage, etc.
3. Explain how their clients need to have support at this time and that getting them to pay loans is not the object of the first meeting.
4. Present the following plan, and discuss it so that everyone understands his or her roles.

ASSESSING THE IMPACT ON CLIENTS AND THEIR BUSINESSES

1. PUT DISASTER RESPONSE POLICIES IN ACTION
   a) Payment collections (including interest) are temporarily suspended for a determined time period, depending of affected areas.
   b) If possible, members’ savings can be withdrawn without penalty.
   c) No new loans should be made.
   d) No loans should be forgiven. The institution must protect its financial image.

2. CONTACT CLIENTS (1st visit to the field)
   a) Meet with every client and give him or her moral support, a hug, and an ear to listen to their stories. This is the time to be there for them.
   b) If possible, bring purified water or tablets to purify water, food, clothes and medicines. It is essential that human relations be strengthened at this time.
   c) Help the clients and families to access health services and/or work (work for food). Assist them in making contact with appropriate relief agencies; make direct contact with the relief agencies on their behalf as well. Consider contracting doctors to give medical services to the clients in various communities.
d) In desperate cases, consider making small cash loans (interest free) of $10-20 for short period (1-2 months) for "domestic emergencies" like food, medicine, etc. (develop system for tracking these loans—maybe just a special notebook per promoter)

e) Initial review of situation in field. Use Chart A: Initial Assessment. (See page 13 of this section) Use this chart as a guideline to assist the gathering of his vital information. (The assessment of client is made in the first visit and it is VERY IMPORTANT to let the clients know that you are there for them, not the loan during this first visit. The assessment of the loan and loan portfolio is made in the second visit.)

3. INITIAL TABULATION OF INFORMATION (in the office)
   a) Promoters will take the information from Chart A regarding clients that have been severely affected by the disaster, they will note the outstanding loan amount of each client. Each Promoter will know then which clients will need a their loans reprogrammed.
   b) Once the second part of Chart A (during the second visit) has been completed, the promoter will submit it to their appropriate manager/supervisor who will then compile all of the Promoters' work onto Chart B: Total Number of Affected Clients by Community and Department (See page 14 of this section.)
   c) A preliminary estimation of the total portfolio impacted by the disaster can be established, including total loss cases. Get this Chart B out immediately to relief organizations, USAID and others.
   d) Preparation for 2nd field visit as soon after the first as possible.

4. ASSESS DAMAGE OF AFFECTED CLIENTS (2nd visit to the field)
   a) Continue to give comfort and support to clients. Bring the clients together in their communities to give motivational talks on self-esteem, and how to plan the reconstruction of the community and the businesses that the organization is financing.
   b) This second field visit is specifically to determine the level of damage and the help that will be required to get the clients back on their feet and in business. These assessments are made on an individual level and in relation to the actual needs of each client. This visit is particularly important for reactivating the solidarity guarantee of the group in order to create mutual moral support. Group members should be encouraged to act in solidarity with other group members, especially
those who have been the most affected by the disaster. Appeal to their morals and integrity when developing this sense of solidarity among them.

c) Determine the needs of the clients regarding the loan restructuring and refinancing needs. (Restructure/refinance or nothing) (Use Chart A for reference and complete Chart B)

Some Directives to Consider:
- Restructure loans when: the client has lost her/his home, even if the productive assets are intact and/or if the client has been seriously injured.
- Refinance the loan when the productive assets have been lost, but the client is in good physical condition.

5. CONSOLIDATION OF INFORMATION IN THE CENTRAL OFFICE
a) Tabulate results from all Promoter teams’ Chart C: Recommendations for Loan Restructuring and Refinancing (see page 15 of this section)
b) Determine the amount of capital needed to refinance and submit information to Katalysis and major donors in the country’s capital city.
c) Investigate and attempt to secure external funding in order to finance the restoration of the clients businesses and lives. This refinancing program should be handled separately from the general microfinance program.
d) Draw up new agreements for each affected client. Remember to first protect the clients with a long and good credit history, before attending to newer clients.
e) Management should select appropriate incentives for the personnel that have dedicated much time and effort in the post-disaster plan. It is important to maintain high moral among staff—especially those who are in the field. This could be illustrated through the design of a special incentive program for unusual (disaster) circumstances.

6. SERVICE CLIENTS
a) Make agreements with each affected client
- Begin refinancing of loan (begin with the worse cases or the cases that have the most chance to succeed) depending on availability of capital.
- Offer new products and services, or adapt the ones in order to protect the clients and the portfolio.
- Reprogram the payment plans
- Permit the withdrawal of savings
- Katalysis USA Suggests that loans be forgiven for clients who have died.
b) Make schedule for regular field visits to check-up on these at-risk clients.
c) Continue to provide small emergency loans ($10-20) with short loan cycles (1-2 months), humanitarian aid, social and medical services, food, purified water and/or purifying tablets.
Remember
People will be in shock, roads will be blocked, transportation interrupted, telephone lines down, a high anxiety level about loved ones that haven’t been heard from…

Having a plan will assist you and your staff to be calm, and provide leadership to your clients and in your communities.

Be safe and blessings!
CHART A
INITIAL ASSESSMENT OF THE SITUATION ~ Clients AND PORTFOLIO
(During the first visit to clients immediately after the disaster, the assessment of the clients should be made)
(During the second visit to the clients, the assessment of the portfolio should be made)
*Per promoter-- each group of clients or by neighborhood/community*

<table>
<thead>
<tr>
<th>BANK:</th>
<th>PROMOTOR:</th>
<th>COMMUNITY:</th>
<th>COUNTRY DEPARTAMENT:</th>
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<tr>
<th>COMPLETE DURING THE FIRST VISIT</th>
<th>COMPLETE DURING THE SECOND VISIT</th>
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<td><strong>Name of the Client</strong></td>
<td><strong>% House damaged</strong></td>
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July 2001
CHART B
Total number of Affected Clients by Community and Department
(Completed by team in the office)
This list should be made available for the public (international assistance organizations, USAID, government, etc.)

<table>
<thead>
<tr>
<th>PROMOTORS:</th>
<th># Clients w/ destroyed houses</th>
<th># Clients who lost their business</th>
<th># Clients Deceased</th>
<th># Clients Injured</th>
<th>Total # Clients Severely Affected</th>
<th>Total Amount of Loan Portfolio Affected</th>
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<td>Department:</td>
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**TOTALS of the DEPARTMENTS:**
# CHART C

**Recommendations for Loan Restructuring & Refinancing**

The teams of promoters should utilize Charts A and B to reference the affected clients.

<table>
<thead>
<tr>
<th>Name of the Client</th>
<th>Amount of Pending Loan</th>
<th>Recommendation for Action: Refinancing (R)</th>
<th>Restructuring (RS)</th>
<th>Maintain Credit (MC)</th>
<th>Recommended Amount/Term: Amount and Term of (R)</th>
<th>Term of (RS)</th>
<th>Analysis</th>
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**TOTAL LOANS**:

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<th>Number of Loans:</th>
<th>Total Amount of Loans:</th>
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<td>Refinanced</td>
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<td>Restructured</td>
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<td>Maintained with Original Loan</td>
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**TOTAL**

(Refinanced / Restructured/ Maintained Credit)
NETWORK SECRETARIAT
RESPONSE
Lesson #1: Prepare your institution beforehand for a disaster. Build well.

When Disaster Strikes

This document is a preparation and response strategy for the Katalysis Network Secretariat in how to approach natural disasters in the region of Central America. The role of the Network Secretariat in this Plan is to be responsive to the needs of the Katalysis Partner organizations in times of disaster and will work to prepare the institutions beforehand and provide support during an unexpected natural disaster.

Contents:

BEFORE
2. Building with the Partners
   • Partner Disaster Plan

DURING
3. Facilitating Communication
   • Initial Communication with the Partners
   • Informing about the Disaster & the State of the Partners

AFTER
Providing Support
   • Identifying Needs ~ Coordinating Resources
   • Distribution of Network Disaster Fund
   • Technical Consultation
BEFORE
1. Building with the Partners

PARTNER DISASTER PLAN

1. The Network Secretariat designated staff member will complete a training session with each Partner who has requested the disaster plan service. This training will cover the following areas:
   a) Preparing a back-up system for financial and client records.
   b) Establishing a disaster fund if desired by the MFI.
   c) Developing a guarantee fund specifically designated for disasters with the clients if it doesn’t exist.
   d) Developing a Disaster Response Policy regarding the disbursement and collection of loans.
   e) Identifying the safe and dangerous places in all the head, regional and branch offices and then alerting with the staff.
   f) Developing a staff contact list; who will partner with whom.
   g) Preparing a Disaster Kit as laid out in the Partner Plan.
   h) Preparing a list of relief agencies with key contacts.
   i) Conducting a maintenance check on the generator and set up a regular check-up for the generator.
   j) Purchasing fuel cans for the vehicles and generator, and set up a system that will monitor if they are full.
   k) Training credit staff, branch manager/s and promoters in how to use the information gathering charts.

   ✓ Chart A - Initial Assessment Of The Situation ~ Clients And Portfolio (See Page 24 Of this section)
   ✓ Chart B Total number of Affected Clients by Community and Department (See page 25 of this section.)
   ✓ Chart C - Recommendations for Loan Restructuring & Refinancing (See page 26 Of this section)

2. As the Partners gather information on local relief organizations, the Network Secretariat will make a consolidated list separated by country for the entire region. This list should be updated yearly and submitted to the Katalysis Network Directors and the Program Department in Stockton.

3. The Network Secretariat should initiate contact with these relief organizations when compiling the list so as to introduce the Katalysis Partnership Network and the Disaster Response Plan to them. The Secretariat should maintain a relationship with these organizations through a bi-yearly newsletter and a
Christmas card, so that when disaster strikes, the relationship is already established.

4. The Network Secretariat will check the Partners quarterly to ensure that they are maintaining disaster preparation.

5. The Network Secretariat will have a selected Disaster Manager who will coordinate all disaster response for the network. When a disaster occurs, one staff member in the region will be assigned per affected Partner.

6. The Network Secretariat will facilitate the communication amongst the Partner Directors to come up with a policy and decision regarding a Network wide fund which will be mobilized when a disaster strikes.

**PREPARING THE NETWORK SECRETARIAT FOR A DISASTER**

7. Know the safe and dangerous places in the office.

8. Plan and practice evacuation drills using two different escape routes from each room for all types of disaster: earthquakes, floods, hurricanes, and fires. Escape routes may be different for each disaster!

   **For an Earthquake:**
   
   Safe: under heavy tables or desks; inside hallways; in doorways or archways.

   Dangerous: near windows or mirrors; under any objects that can fall; the kitchen... where the stove, refrigerator or contents of cupboards may move violently. Practice taking cover.

9. In the case of a flood, decide where the important equipment will be placed to be out of harms way.

10. Have staff Sign up for a first-aid course, including cardio-pulmonary resuscitation (CPR).

11. Have staff arrange a contact plan with their family members if they are separated from their family when the disaster strikes. When your staff knows that their families are safe, they will be able to assist more in the office and with their clients. For instance, their children are to go to their neighbors or to another family members'
house in the neighborhood. Each family member should carry the contact phone number and address.

8. Remind staff and their families to rely on emergency authorities for guidance. Broadcast reports on radio and television will have instructions.

### Have a disaster kit ready! Here are some ideas:
- First-aid kit with tranquilizers, iodine, cotton balls, etc.
- Water purification tablets and water jugs
- Flashlight/batteries stored in waterproof bags
- Candles/lighter
- Transistor radio/batteries stored in waterproof bags
- Blankets
- Basic supply of non-perishable foods
- List of relief agencies, key contacts
- Check your generator and maintain a supply of back-up fuel.
- Maintain a supply of fuel for your vehicles
- **THIS DISASTER EMERGENCY PLAN IN A PLASTIC BAG!**

### STAFF SUPPORT

5. The Executive Director is in charge—if he/she is unable to perform duties, the first deputy is the______________, the second deputy is the______________, and so on.

6. Set up a buddy system amongst the staff, so that they can call each other to make sure that everyone is safe. The buddies should then call in to their supervisors. Moral support is critical when a disaster strikes. Being prepared beforehand will ease the trauma.
INITIAL COMMUNICATION WITH THE AFFECTED PARTNERS

1. Contact via telephone, fax and email the Executive Director and/or other key personnel of the affected institutions.

These three methods of communication should be used until contact has been established with the Katalysis Partner organizations that have been affected by a natural disaster.

2. Once contact has been established, The Network Secretariat will express their moral support and solidarity and will inform them of which staff person has been designated to assist them. One staff member will be designated for each affected Partner.

3. The designated staff member will express their intention to visit the Partner organization as soon as the Partner requests this visit and once the situation has stabilized. They will also plan to contact the Partner periodically to check their progress on Charts A Initial Assessment Of The Situation ~ Clients And Portfolio (see page 24 of this section) and Chart B- Total number of Affected Clients by Community and Department (see page 25 of this section), as well as other needs that may arise.

INFORMING ABOUT THE DISASTER AND THE STATE OF THE PARTNER ORGANIZATIONS

1. The Network Secretariat staff member(s) designated to manage disaster situations will communicate with the Program Department of the Katalysis Partnership regarding the state of the Partners affected as soon as possible.

2. The Network Secretariat will establish contact with the rest of the Katalysis Network Partner organizations through a general summary via email and fax. This summary will inform the Partners of the situation of the Partners that have been affected by the natural disaster. A similar summary will be posted on their website so that it may be accessible to the other network Partners as well as the general public.
3. Once Chart B Total number of Affected Clients by Community and Department (see page 25 of this section) has been received from the Partner organizations, The Network Secretariat will organize and translate this information and write a narrative of happenings in the field. This should be sent to the Program Department of the Katalysis Partnership, posted on The Network website, and released widely to all international relief and donor organizations based in the region.

4. The Network Secretariat will give weekly updates by phone to the Program Development Director and the CEO of Katalysis in Stockton regarding support given to Partner organizations (resources coordinated, disaster fund disbursement, technical assistance request and response, product development needs, etc.) The Program Department will also give updates regarding funds and other resources identified during these conversations.

AFTER

3. Providing Support

IDENTIFYING NEEDS ~ COORDINATING RESOURCES

1. The designated disaster contact for the Network Secretariat will be in frequent communication with the affected Partners to determine what needs arise (capital, human resources, supplies, etc.) that Katalysis may be able to assist, and will help to facilitate the communication between the affected Partners and the rest of the Network in order to help fulfill these needs.

2. Using the list of humanitarian relief organizations present in the region (developed in the BEFORE stage), the Network Secretariat will contact these organizations and work to locate disaster relief supplies for the affected Partner communities.

DISTRIBUTION OF NETWORK DISASTER FUND

If the network chooses to develop an emergency disaster fund, the Network Secretariat will be responsible for issuing the financial support to the affected Partner organizations. A policy should be drawn up for the use of this money. Funds should be distributed as soon as possible.
1. The designated disaster manager at the Network Secretariat will collect and analyze the information received from the Partner organizations (Chart B Total Number of Clients Affected—see page 25 of this section) and should plan to go to the field as soon as the situation stabilizes. He or she will provide support to the organizations in three main ways: (1) moral support; (2) disaster plan monitoring; (3) technical support to the executive staff.

2. In addition, the Network Secretariat will specifically assist Partners with access to information, contacts and other related resources for new product development if desired (i.e. housing loans in El Salvador after the quake).
CHART A
INITIAL ASSESSMENT OF THE SITUATION ~ CLIENTS AND PORTFOLIO
(During the first visit to clients immediately after the disaster, the assessment of the clients should be made)
(During the second visit to the clients, the assessment of the portfolio should be made)
Per promoter-- each group of clients or by neighborhood/community

<table>
<thead>
<tr>
<th>BANK:</th>
<th>PROMOTOR:</th>
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<tr>
<td>COMMUNITY:</td>
<td>COUNTRY DEPARTAMENT:</td>
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<tr>
<th>COMPLETE DURING THE FIRST VISIT</th>
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<tbody>
<tr>
<td>Name of the Client</td>
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TOTAL=

July 2001
**CHART B**

*Total number of Affected Clients by Community and Department*

*(Completed by team in the office)*

This list should be made available for the public (international assistance organizations, USAID, government, etc.)

<table>
<thead>
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<th>PROMOTORS:</th>
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<td># Clients who lost their business</td>
<td># Clients Deceased</td>
<td># Clients Injured</td>
<td>Total # Clients Severely Affected</td>
<td>Total Amount of Loan Portfolio Affected</td>
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<td><strong>TOTALS of the DEPARTMENTS:</strong></td>
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### CHART C

**Recommendations for Loan Restructuring and Refinancing**

The teams of promoters should utilize Charts A and B to reference the affected clients.

<table>
<thead>
<tr>
<th>Name of the Client</th>
<th>Amount of Pending Loan</th>
<th>Recommendation for Action:</th>
<th>Recommended Amount/Term:</th>
<th>Analysis</th>
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<tbody>
<tr>
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<td>Refinancing (R)</td>
<td>Amount and Term of (R)</td>
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<td>Restructuring (RS)</td>
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<td>Maintain Credit (MC)</td>
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**TOTAL LOANS**:

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<th>Number of Loans:</th>
<th>Total Amount of Loans:</th>
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<td>Refinanced</td>
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<td>Restructured</td>
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<td>Maintained with Original Loan</td>
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<td>(Refinanced / Restructured/ Maintained Credit)</td>
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KATALYSIS HEADQUARTERS RESPONSE
When Disaster Strikes

#1 lesson: Prepare your institution beforehand for a disaster. Build well.

This document is to direct the Katalysis Partnership Headquarters in preparing for and responding to natural disasters that threaten our local Partners and their microfinance clients in the region of Central America. While the Network Secretariat will be providing support on the ground to the Partners, the Katalysis Partnership Headquarters will be involved in accessing emergency funding, responding to public inquiries, informing donors, and supporting the Network Secretariat.

Contents

BEFORE
4. Preparing for the Worst
   • Setting up Systems

DURING
5. Initializing Contact with the Field
   • Establish Contact with the Network Secretariat
   • Plan Put into Action

AFTER
   Providing Support and Information
   • Collecting & Disseminating Partner Information
   • Special Support for the Partners
   • Communication with the Public
   • Monitoring & Quality Control
1. Establish the role of staff members in the organization

a) **The Program Director and Program Associate** will oversee the disaster response. They will be in direct contact with the Network Secretariat and will communicate field updates to the rest of the Katalysis Partnership staff in Stockton.

b) **The Program Director** will be the point person for media communications if the scale of the disaster is limited to one country and the Network Secretariat is not affected.

c) **The Program Associate** will be responsible for updating the Web page and preparing weekly bulletins on the impact of the disaster on our Partners.

d) **The CEO** will be responsible for communicating with US based networks (Interaction, SEEP) and northern-based organizations. Depending on the severity, he will travel to the region after the situation has stabilized. If the scale of the disaster covers more than one country and the Network Secretariat is affected, he will be the point person for media communications.

e) **The Resource Development Director** will be the point person for contact with all donors, public inquiries and the point person for special donations made to support loan refinancing.

f) **The Finance Department** will set up a special account for the actual disaster and will disburse available funds to the Partner organizations that have been affected in adherence to the policy developed regarding financial support for Partners during a disaster.

2. Develop a fund to assist the affected Partners

a) **Headquarter staff** set up a general fund for Partners affected by disasters from voluntary monthly deposits.

b) **Senior Management Team** establishes a policy that covers the disbursement of the funds established to assist our Partners during a natural disaster. This is presented and endorsed by the Board.
3. **Develop Lists**

Program Associate in collaboration with the CEO and Resource Development Director develops:

- A media list - local and state wide
- A list of local, national and international networks (Interaction SEEP, Central American networks), institutional donors, AID contacts in Washington and in country and others that information can be sent to;
- A telephone and cell phone directory of Network Secretariat personnel, Partner Directors and their senior managers.

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**DURING**

**2. Initiating Contact with the Field**

**ESTABLISH CONTACT WITH THE NETWORK SECRETARIAT & PARTNERS**

The Program Department:

1. Contacts via telephone (regular or cell phones) the Network Secretariat and the staff member designated for disaster management to ensure that all of the staff in the office is accounted for. Find out which staff people have been affected by the disaster and to what degree.

   The Network Secretariat and/or the disaster management staff member will also be making attempts to contact Katalysis headquarters either by phone, fax or email so that contact is made as soon as possible after the disaster has occurred.

2. Faxes the Network Secretariat office to ensure that the fax line is in working order. Send an email to the office for the same purpose

3. Sends e-mails and faxes immediately to each of the affected Network members to let them know that they have our support and concern.

   These three means of communication will be used continuously until contact with the Network Secretariat has been established.
PLAN PUT INTO ACTION

1. The Program Department summons headquarters staff immediately following an announcement of the disaster to go over this action plan and make sure that everyone knows their role. The Program Department will manage the disaster response.

   If the Network Secretariat office has been severely affected and is not able to carry out their duties for the network response, the Program Department of Katalysis/USA will assume these responsibilities.

2. The Finance Department sets up a special account for depositing funds that comes in to support the affected Partners.

3. The CEO convenes an emergency Executive Committee meeting to provide current information on the impact of the disaster on our partners and the extent of the damage. Mobilization of funds will begin by the board to support the affected Partners and adheres to the policy developed regarding financial support for Partners during a disaster.

AFTER

3. Providing Support & Information

COLLECTING AND DISSEMINATING PARTNER INFORMATION

1. The Program Department reviews the information submitted by the Network Secretariat on the status of the portfolio affected by the disaster and circulates it to the CEO, the Resource Development Director and the Finance Director.
   a. The initial information will be a chart that enumerates the number of clients with: destroyed homes, lost their businesses, deceased and were injured. (Refer to Chart B – Total Number of Affected Clients on page 34 of this section.)
   b. The second chart will depict the recommendation for Loan Restructuring and Refinancing whether it be refinancing or restructuring. (Refer to Chart C on page 35 of this section.)
1. **Special Trip to the Region**

The CEO travels to the region to assess the situation first-hand, give moral and solidarity support, network with institutional donors for recovery funds, provide photos for web updates, etc. This trip will depend on the severity and scale of the disaster and would support fund raising efforts to meet the refinancing needs of the affected Partner/s in order to mitigate devastating losses.

2. **Funds for the Partners**

   a) **The Resource Development Director** actively solicits funds that will be dedicated for refinancing loans. Funds are deposited into the special account set up by the Finance Department.

   b) **The CEO** coordinates efforts for mobilizing funds from the Board Members.

   c) **The Finance Department** disburses funds to affected Partners. The allocation of funds will be defined by:

      • The policy developed regarding financial support for Partners during a disaster
      • Donor requests
      • The total amount of the portfolio which needs to be refinanced because of the devastation to the clients which will come from the Network Secretariat.

      (See attached chart C).

3. **Resources for Partner Organizations**

   **The Program Department** assists the Network Secretariat in identifying sources for identified capital, human resources and supply needs of affected Partners, in collaboration with the CEO and Resource Development Director.

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**COMMUNICATION WITH THE PUBLIC**

1. **The Program Associate** keeps the Web page current with the influx of information from the Network Secretariat and prepares weekly bulletins on the impact of the disaster on our Partners. These bulletins are passed on to the Program Director, Resource Development Director and CEO.

2. **The Resource Development Director** responds to inquiries (via phone, fax and email) from individual donors and the public.
3. **The CEO** reports to local newspapers, local and national NGOs, networks (Interaction, SEEP, etc.), institutional donors and others as information comes in from the Network Secretariat.

**MONITORING AND QUALITY CONTROL**

The **Program Department** monitors the timeliness and quality of service provided by the Network Secretariat to the affected Partners, as well as the communication with the rest of the Network. This will include report writing for donors who request reports.
**CHART B**

Total number of Affected Clients by Community and Department  
*(Completed by team in the office)*

This list should be made available for the public (international assistance organizations, USAID, government, etc.)

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**CHART C**

**Recommendations for Loan Restructuring & Refinancing**

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