

What Will it Take to Reduce Disaster Risk in your Country by 50% by 2030?

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We know that part of the answer is “a lot of money”. And another part is probably “a lot of time”. A full answer to this question is not straight forward for any country. However, this is not just a big idea.

What it would take would differ for each country. But for all countries it would probably require a combination of three things: 1) that the country changes some development patterns in order to achieve risk informed growth in the next 15 years, 2) that the country invests in reducing some of its existing risk, and 3) that the country improves its disaster risk financing and insurance strategy.

The power to seek the answer rests with the Ministry of Finance. The power to provide the answer depends on many more actors in a country. If a Ministry of Finance seeks answers to this question, it could help them to find a pathway towards a more resilient future. And more resilience is needed. Recent research from the International Monetary Fund (WP/14/125) shows that for small island states in the Caribbean, both storms and floods have a negative effect on growth and result in significant increases in debt levels. Whereas larger countries are shown to bounce back from disaster, small states do not, even when factoring in official development assistance (shown to be irrelevant) and debt relief (shown to be helpful).

Seeking the answer to how to reduce risk by 50% (or any other appropriate percentage) would lead the Ministry to first seek to establish a baseline understanding of how much the country’s disaster risk account for today. Insurance modelled sovereign disaster risk numbers such as expressions of the country’s annual average disaster loss may give an indication on the size of the challenge. However, understanding the solutions to the challenge will require a lot more detail. Detail of where in my country’s economy this average annual loss is “located” can only be done in collaboration with several technical line ministries, with the ministry responsible for public works as the most important partner. The UR Forum amply demonstrated that there are plenty of tools and techniques available today that would allow a curious Ministry of Finance, with the help of its Ministry of Works and other line ministries, to quantify its risk in high detail.

The pathway to reducing risk over time goes through creating the ability to measure and monitor the risk, and through an ability to associate risk management policy and investment actions that a country considers taking, with those actions impact on its overall risk. In this ability to measure and monitor, also lies the ability to raise the large amounts of financing and technical support that will be needed to achieve a very ambitious risk reduction target. There are already large amounts of financing available for small states resilience and much more likely to follow. And there is no lag of technical expertise willing to support small states in this effort. But both the financing and the technical assistance are looking for small states where its support would have a measurable impact. A country that shows the leadership, vision, and courage to seek a qualitative change towards more resilient development paths could attract a lot of financial and technical support. The more than 50 country representatives that participated in the SIDS sessions at the UR Forum are all leaders with important roles for building resilience in their home countries. It is possible to reduce your countries risk by 50% by 2030 – if you take the first step to make it happen.