

# #SendaiAmericas

8 y 9 de Junio, 2016 | Asunción, Paraguay

1ra Reunión Ministerial y de Autoridades de Alto Nivel sobre la Implementación del Marco de Sendai para la Reducción del Riesgo de Desastres 2015-2030 en las Américas

## SESSION 1

### The challenge of mainstreaming Disaster Risk Reduction for the implementation of the Sendai Framework.

#### PANEL 3

#### Disaster Risk Reduction in public finance planning and investment.

Please refer to the agenda by entering: <http://eird.org/ran-sendai-2016/eng/agenda-english.html>

*"To promote mechanisms for disaster risk transfer and insurance, risk-sharing and retention and financial protection, as appropriate, for both public and private investment in order to reduce the financial impact of disasters on Governments and societies, in urban and rural areas;*

*To promote, as appropriate, the integration of disaster risk reduction considerations and measures in financial and fiscal instruments"*

**Sendai Framework, Priority 3. Investing in disaster risk reduction for resilience. Recommendations at national and local level.**

## 1. Introduction

**The Americas continues to be one of the regions most vulnerable to natural hazards,** and one of its main gaps is the need to integrate disaster risk reduction within the development planning processes and the related sectoral efforts.

This task is one of the biggest challenges for the region, and its advancement will only be possible if governments, civil society and the private sector integrate disaster risk reduction as a key element of their development planning and investment.

In this context, the commitment by United Nations Members States, having adopted the Sendai Framework for Disaster Risk Reduction 2015-2030 (March, 2015, Sendai, Japan), is to address disaster risk reduction and increased resilience to disasters with a renewed sense of urgency in the context of sustainable development and poverty eradication.

The structure of this new Framework includes, among others, a set of principles, goals and priorities with global, regional, national and local lines of action. The new Sendai Framework thus aims to achieve the following outcome in the next 15 years:

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*"The substantial reduction of disaster risk and losses caused by disasters, both in terms of lives, livelihoods and health as well as economic, physical, social, cultural and environmental assets of individuals, companies, communities and countries."*

To attain the expected outcome, the Framework suggests to pursue the following goal:

*"Prevent new and reduce existing disaster risk through the implementation of integrated and inclusive economic, structural, legal, social, health, cultural, educational, environmental, technological, political and institutional measures that prevent and reduce hazard exposure and vulnerability to disaster, increase preparedness for response and recovery, and thus strengthen resilience."*

The achievement of this outcome requires the strong commitment and involvement of political leadership in each country at all levels both in the implementation and follow-up of the present Framework as well as in the creation of the necessary conducive and enabling environment. To this end, the National Emergency Secretariat of Paraguay (SNE) jointly with the United Nations Office for Disaster Risk Reduction (UNISDR), through its Regional Office for the Americas, aims to promote a discussion of ministerial representatives and high-level authorities of all countries of the Americas, to identify a regional action plan for the implementation of the Sendai Framework in the Americas.

## 2. Background

Why is this topic important and why does it justify a work session?

Economic losses due to the impact of disasters have increased in recent decades. Disasters often slow down the economic growth of countries, jeopardize public finances and disproportionately affect the poorest families and households. The countries that adopted the Sendai Framework acknowledged that mainstreaming disaster risk into macroeconomics and public finances is a central part of building resilience, as a means of protecting and guaranteeing the livelihood of individuals and businesses, as well as the operation of the public sector institutions. To strengthen the country's economic and fiscal resilience, governments should integrate disaster risk in public finance, including the development of risk-sensitive investments and risk financing mechanisms. The capacity of countries to develop a sound economic analysis on the benefits of disaster risk reduction is a central support for investment and policy decisions conducting to resilience.

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Progress and practices achieved over the last 5 years in the assessment and estimation of losses, probabilistic cost-benefit analysis of the economic impact of disasters on GDP, among others, allow access to a greater understanding of the impacts of disasters on national economies.

These good practices and recent developments enable today information and methodologies to support finance planning and public finance with a view to reduce risks, prevent the accumulation of new risks and strengthen resilience. This session explores the role of economics in supporting the development of disaster risk reduction policies for risk-sensitive public and private investment as well as provide information on how the recent developments on the economic analysis of the impact of disasters, probabilistic cost-benefit analysis and macroeconomic models of disaster, allow to assess the impact of disasters on GDP and public finances. In particular, the session will seek to show how these developments can boost action to reduce disaster risk, prevent new risks, strengthen resilience and deepen the knowledge about risk, and how south south cooperation between ministries of finance and planning can further facilitate mutual learning and exchange of good practices in mainstreaming disaster risk reduction in public investment.

### 3. Objective of the session

This session aims to share best practices and contribute to the understanding of the latest advances in mainstreaming disaster risk reduction in public finance and economic analysis. Emphasis will be placed on how risk analysis, methodologies and approaches can stimulate policies to reduce risk, prevent the accumulation of new risks and strengthen resilience. In particular, the meeting will seek to address the following objectives:

- Share the importance of the economic aspects of disaster risk reduction, in particular, using economic analysis and risk information to support public investment decisions and funding strategies.
- Share best practices and examples, identify challenges and collect guidance from the Ministries of Finance and Treasury on the next steps to implement priority 3 of the Sendai Framework in the Americas aiming to Resilient Investment.
- Map the existence of emerging regional networks on disaster risk reduction in ministries of finance and planning towards achieving priority 3.

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## 4. Session outline and issues to address

<b>Structure and discussion agenda</b>  <b>65 min.</b>	<p>Panel: Disaster Risk Reduction in public finance planning and investment</p> <ol style="list-style-type: none"><li><b>Welcome Remarks (5 min.)</b><ul style="list-style-type: none"><li><b>Santiago Peña Palacios</b>, Minister of Finance, Paraguay</li></ul></li><li><b>Economic outlook of Disaster Risk Management based on national progress (40 min.)</b><ul style="list-style-type: none"><li><b>Francisco Tula</b>, Director of Investment, Ministry of National Planning and Foreign Policy, Costa Rica</li><li><b>Vivian Lemus</b>, Director of Planning, Ministry of Public Finance, Guatemala</li><li><b>Dr. Oscar Vela Treviño</b>, Chief of Pensions Insurance and Social Security, Ministry of Finance and Public Credit, Mexico</li><li><b>Vladimir Ferro</b>, Directorate of Public Budget, Ministry of Economy and Finances, Peru</li></ul></li><li><b>Cooperation networks in promoting Disaster Risk Reduction in public investment (10 min.)</b><ul style="list-style-type: none"><li><b>Jesús Ruitón Cabanillas</b>, Director of Public Investment Projects and Focal Point of Latin-American Network of Risk Management, Ministry of Economy and Finance, Peru</li></ul></li><li><b>Questions (10 min.)</b></li></ol>
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