

Draft Concept Note

Second Committee Special Event

“A crisis mitigation and resilience building mechanism for LDCs, LLDCs and SIDS”

30 October 2015

Background

LDCs, LLDCs and SIDS continue to face a higher risk of significant losses as a result of crisis and disasters. They not only face extreme shocks but also are very much exposed to those shocks. In an agriculture-dominated country such as Malawi, a drought would cause an estimated annual loss equivalent to 1 per cent of GDP as well as result in an additional 2.1 million people falling below the poverty line. Compared to Central Asia and Europe, the estimated annual loss of capital stock is 20 times higher for SIDS. The unprecedented floods that hit Solomon Islands in April 2014 damaged infrastructure, housing, water and sanitation facilities and agricultural output, causing economic loss equivalent to 4.7 per cent of GDP. Cyclone Pam, which struck Vanuatu in March 2015, has resulted in the destruction of up to 80 per cent of homes on Tanna Island as well as a reduction in access to clean water, and is likely to cause a setback to the country's recent development gains. The earthquake that hit Nepal in April 2015 affected 8 million people, and its impact on agriculture-based livelihoods and food security is expected to be extremely high.

The Istanbul Programme of Action (IPoA) has a priority area for action related to multiple crisis and other emerging challenges, including economic shocks, climate change and environmental sustainability as well as disaster risk reduction, recognising that crisis and disasters can erode hard earned development progress. The vulnerability of LDCs is also a criterion for their identification and progress in this area has been slow.

The Vienna Programme of Action (VPoA) underscores that the LLDCs remain disproportionately affected by, inter alia, desertification, land degradation and drought as an estimated 54 per cent of their land is classified as dryland. The negative impact of these crises compounds the challenges associated with landlockedness to impede the LLDCs' capacity to achieve higher economic growth and promote social development and environmental sustainability. The VPoA calls on international community to support LLDCs in building resilience, developing capacity to respond effectively to external shocks and addressing their specific supply-side constraints.

The SAMOA Pathway also recognized that disasters can disproportionately affect SIDS and that there is a critical need to build resilience, strengthen monitoring and prevention, reduce vulnerability, raise awareness and increase preparedness to respond to and recover from disasters. The Pathway also saw the international community committing to establish and strengthen risk insurance facilities for SIDS at the national and regional levels and place disaster risk management and building resilience at the centre of policies and strategies, where applicable.

There have been various recent attempts to step up crisis mitigation and resilience building, especially for LDCs, LLDCs and SIDS, which need to be implemented and can be built upon. The Sendai Framework for Disaster Risk Reduction 2015-2030 recognized the importance of enhancing the implementation capacity of LDCs, LLDCs, and SIDS, including the mobilization of support through international cooperation for the provision of means of implementation in accordance with their national priorities.

Paragraph 34 of the Addis Ababa Action Agenda expresses the intention to “develop and implement holistic disaster risk management at all levels in line with the Sendai Framework” and to “support national and local capacity for prevention, adaptation and mitigation of external shocks and risk management.” Paragraph 68 welcomes “ongoing work in relevant institutions to support efforts by LDCs, LLDCs and SIDS to build their national capacity to respond to various kinds of shocks including financial crisis, natural disasters, and public health emergencies, including through funds and other tools”. LDCs have repeatedly called for the establishment and operationalization of a crisis mitigation and resilience building fund in order to ensure the sustainability and continuation of their hard-earned gains.

One example of a crisis mitigation mechanism is the CCRIF (formerly the Caribbean Catastrophe Risk Insurance Facility), which offers earthquake, tropical cyclone and excess rainfall policies to Caribbean governments. CCRIF's parametric insurance mechanism allows it to provide rapid payouts to help members finance their initial disaster response and maintain basic government functions after a catastrophic event. A similar mechanism has been employed in the Pacific region through a pilot programme called 'The Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI) which assists Pacific Island Countries in improving their post-disaster financial response capacity through public financial management and the implementation of market-based sovereign catastrophe risk insurance solutions.

Objective, format and outcome

Against this backdrop, the objective of the side event is to explore how efforts to enhance disaster mitigation and resilience building for LDCs, LLDCs and SIDS can be enhanced, including through a discussion on the possibilities of establishing a fund.

It is expected that the proceedings of this side event will contribute significantly to the consideration of the implementation of the IPoA, VPoA and SAMOA Pathway as well as the 2030 Agenda for Sustainable Development and will feed into the Mid-term Review of the implementation of the IPoA.

The side event discussion will consist of panel presentations by government representatives from LDCs, LLDCs and SIDS, development partners, civil society and the private sector to be followed by an interactive dialogue among all meeting participants.

The meeting will conclude with an informal summary by the Secretariat highlighting the main points of the discussions and specific proposals or ideas leading to action-oriented results.

Suggested questions for discussion

- What are examples for successful crisis mitigation and resilience building mechanisms that could be transferred to LDCs, LLDCs and SIDS?
- What lessons can be learned from the CCRIF and the PCRAFI that will contribute towards scaling up of best practices?
- What policies and actions at the national, regional and international levels are needed to support the establishment of a crisis mitigation and resilience building mechanism for LDCs, LLDCs and SIDS?

Background documentation

The substantive background documents for the event will include:

- Report of the Secretary-General on "Implementation of the Programme of Action for the Least Developed Countries for the Decade 2011-2020" ([A/70/83-E/2015/75](#))
- "Istanbul Programme of Action for the Least Developed Countries for the Decade 2011-2020" ([A/CONF.219/1](#))
- Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014-2024 ([A/RES/69/137](#))
- Report of the Secretary-General on "Implementation of the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014-2024" ([A/70/305](#))
- OHRLLS report on "[The Impact of Climate Change, Desertification and Land Degradation on the Development Prospects of Landlocked Developing Countries](#)"
- Report of the third International Conference on Small Island Developing States Apia, Samoa 1-4 September 2014 ([A/CONF.223/10](#))