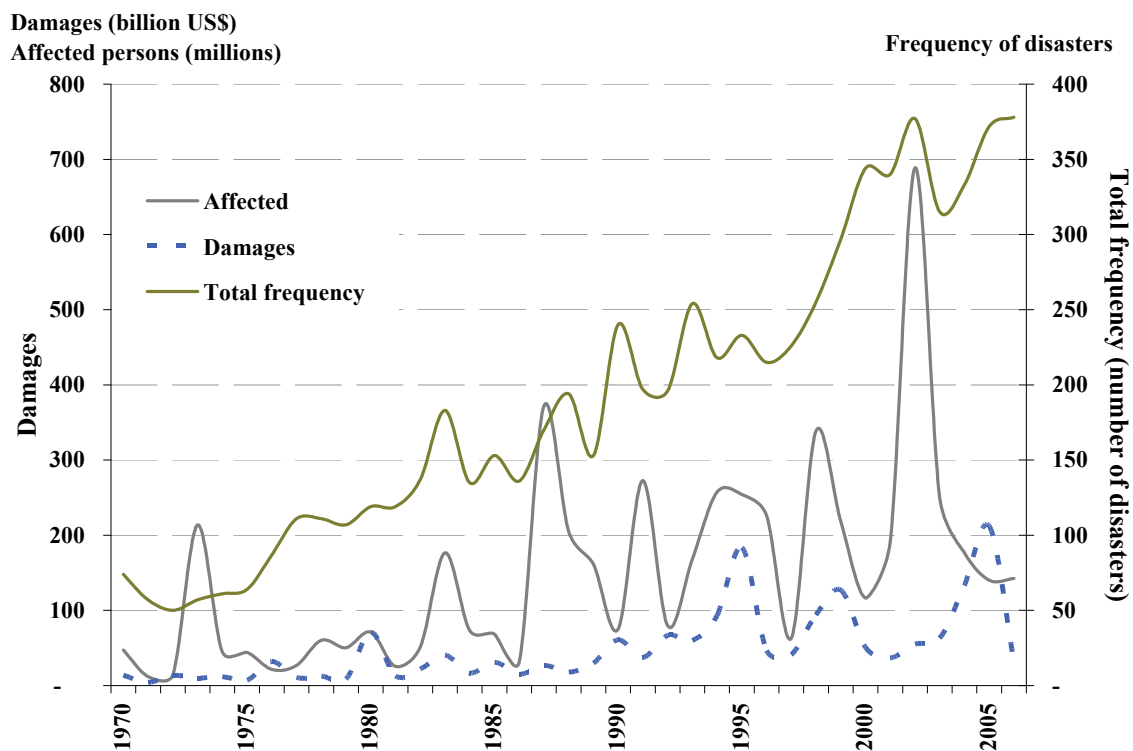


Heightened global security threat from natural disasters requires revamped management approach

(UNITED NATIONS NEW YORK, 1 July) As natural disasters occur with more frequency and more ferocity, a UN report published today is recommending that the existing response of flash appeals and voluntary contributions be augmented with a standing finance facility to more efficiently help countries to cope and to take long-term prevention measures.

More than four times as many disasters were registered annually between 2000 and 2006 than during the 1970s (*figure 1*). And at an annual average of \$83 billion in damages per year, the costs are seven times greater. On some estimates, disaster damages could reach over \$1 trillion in a bad year in the upcoming decade, indicating the cost effectiveness of prevention, mitigation and relief measures.

Figure 1: Magnitude of disasters, 1970-2006



Precisely what role climate change plays in this trend is impossible to determine. But there is strong belief in the scientific community that there is a linkage between climate change, weather volatility and disaster occurrence. Certainly, the UN's *World Economic and Social Survey 2008: Overcoming Economic Insecurity* notes, insurance companies already are anticipating significant rises in climate-related losses over the next decade

Rising risks in poor countries deepen economic insecurity, says the *Survey*, which also charts macro-economic aspects insecurity, as well as the impact of civil conflicts (*see affiliated press releases*).

Most recently, the Sichuan earthquake in China affected 15 million people and cyclone Nargis which struck Burma in May affected approximately 2.4 million people. But, according to the *Survey*, in many developing countries events on a smaller scale are also a source of permanent insecurity.

Moreover, developing countries feel the brunt of disasters more heavily. The recent flooding in the Midwest of the United States is a reminder that disasters do not discriminate according to income levels. But while cyclone Nargis is estimated to have caused more than 90,000 fatalities in Burma, by comparison a windstorm that was also a category 4, Hurricane Charley, caused only 30 fatalities in the US in 2004.

Overall, people in low-income countries are 20 times more likely to die from disasters and 80 times more likely to see their livelihoods disrupted than those in high-income countries. Moreover, in real terms, even damages are more significant in developing than in developed economies.

Development the best defense

A high degree of vulnerability to natural hazards stems from structural characteristics that are typical of many developing economies. Lack of infrastructure weakens the ability to cope with natural hazards, and lack of economic diversification can heighten economic damage. The latter condition is especially prevalent in economies highly dependent on a limited number of agricultural export commodities.

Mitigation measures should comprise improved infrastructure, affordable credit and appropriate land-use planning – measures often overshadowed by rescue and immediate relief efforts. Also often left out, until it is too late, are effective monitoring and warning systems, and personnel who are better-trained and equipped. Linking medium-term development strategies to relief activities can help to save livelihoods as well as lives.

Sensitive weather communications systems for early warning in the case of hurricanes and tsunamis highlight the difficulties caused by decreasing and deficient international support for infrastructure investment in general, over recent decades.

Preventive measures designed to deal with food vulnerability are also crucial in pre-disaster preparedness and recovery activities. Similarly, dealing with chronic housing crises and insufficient regulations are essential to pre-disaster preparedness, as unsafe buildings and lack of enforcement of building codes amplify vulnerabilities.

A global disaster fund

Innovative mechanisms have been developed recently to better pool of risk of disasters. The *Survey* assesses the efficacy of a number of them, including weather-indexed schemes for crop insurance in Malawi, earthquake and storm insurance based on quake

magnitude or wind speed in Turkey, Mexico and the Caribbean. The UN concludes that such mechanisms at best play only a complementary role. Lacking adequate infrastructure and strong financial markets, insurance schemes will fall short on damage coverage, will be exclusive, leave out the poor and/or be an exceedingly costly option.

The *Survey* proposes a more ambitious measure: a multilaterally backed **global disaster mechanism**. With an estimated annual price tag of \$2.5 billion, such a mechanism could unify existing responsibilities and provide secure and prompt resources for risk mitigation, recovery and reconstruction.

The system of voluntary contributions currently relied on by the international community is often influenced by geopolitical ties and other biases. Moreover, pledges rarely materialize fully, and even so often constitute a reallocation of resources, creating shortfalls elsewhere. A permanent global fund supporting an integrated policy framework, as proposed by the UN report, would better provide fast and dependable assistance in the aftermath of an event, and also be able to support national preparations before disaster strikes.