



**FINANCING FOR  
DEVELOPMENT**  
13-16 JULY 2015 • ADDIS ABABA • ETHIOPIA  
TIME FOR GLOBAL ACTION



## **STATEMENT**

**United Nations Office for Disaster Risk Reduction**

**Third International Conference on Financing for Development  
13-16 July 2015**

**Delivered by Special Representative of the Secretary-General for Disaster Risk Reduction,  
Margareta Wahlstrom**

---

The agreements and commitments that we reach at the Third International Conference on Financing for Development will have far reaching consequences that will be measured in lives saved, losses averted and risks reduced.

This is a critical moment. We need to act now. Global average annual loss from disasters is estimated to increase from USD 260 billion in 2015 to USD 414 billion by 2030. Such a large sum of potentially lost capital is not surprising given our experiences of disasters.

The impact of disasters and losses is particularly felt by Small Island Developing States and in lower income countries. In 2004, Hurricane Ivan cost Grenada an estimated 200% of GDP; just this year, 9% of the Solomon Islands GDP was lost in 12 hours.

If disaster risks are not reduced then future losses will impact on growth and development. When capital flows into hazard prone areas, it leads to significant increases in the exposure of economic assets. If these trends continue, sustainability is compromised.

The Sendai Framework for Disaster Risk Reduction 2015-2030 adopted on 18 March 2015, and endorsed by the UN General Assembly, was the first of the post-2015 development agreements. The Sendai Framework is the basis for a risk-informed and resilient post-2015 development agenda.

I am pleased to see reflections and recognition of disaster risk reduction and the Sendai Framework in the Addis Ababa Action Agenda. Disasters and their risks are preventable. Financing for development plays a key role. In particular, UNISDR advocates the importance of:

- Foreign direct investment (FDI) decisions that are risk-informed.

- Measures that maintain and protect supply chains to ensure that trade continues to flow and investments are protected in the face of disasters.
- The benefits and opportunities of direct private and public investment in risk reduction. For example, annual investments of US\$6 billion in appropriate disaster risk management strategies could generate benefits worth US\$360 billion.
- A stronger insurance system that covers more people and more communities to lessen the economic impact of disasters.
- Donor ODA policies and projects that are informed by as well as designed to reduce the risks of disasters.

Coherence and mutually supportive strategies where disaster risk reduction intersects with finance, development and climate change decisions are critical to the success of the post-2015 agenda. Such strategies include the promotion of common targets and indicators; recognition of the Sendai Framework for Disaster Risk Reduction; and, building a number of co-benefit partnerships that can support across all the international agreements.

The UN Office for Disaster Risk Reduction (UNISDR) is therefore promoting a number of partnerships in this regard, including:

- To scale-up safety net programs to support those most impacted by disasters.
- To leverage financial instruments such as insurance to assist countries, businesses and households to manage the impacts of disasters.
- To strengthen hydro meteorological monitoring and early warning systems as essential for saving lives, livelihoods, and assets.
- To promote risk sensitive investments in urban and rural infrastructure, including healthy ecosystems.

With such partnerships for action and recognition of the risk and costs of disasters in the post-2015 development agenda we can turnaround the creation of new disaster risk and build communities that are safe, prosperous and sustainable. Finally, the Sendai Framework gives explicit guidance on how disaster risk reduction must contribute to the overall monitoring system of the post-2015 outcomes.

The UN Office for Disaster Risk Reduction (UNISDR) looks forward to working with you to develop and apply financing for development strategies and policies. The UN Secretary-General said that sustainability started in Sendai – it has been reinforced in Addis and leads to New York and Paris. Our commitment to implementation will be the litmus test of our recognition of the enormous opportunity the 2015 process offers us for today and the future.