

Building resilient societies and economies - the call for Risk Governance

OECD statement to the PrepCom

People around the world expect Governments to strengthen their responses to a growing range of disaster risks and to strengthen capacities to manage the physical, social and financial consequences.

Governments increasingly recognize that these expectations can only be met if national stake holders and the international community are part of the policy process. Inclusive responses are most effective in generating greater resilience of economies and societies and in addressing the potential consequences of disasters, from losses of lives, disruption of vital infrastructures, threats to jobs, to degradation of environmental assets, stress on public finances and erosion of trust in government, all of which in a context of globalisation, climate change and international supply chains quickly spread across borders.

The successful governance of risks is a key strategic investment for countries and a means of preserving sustainable economic growth. OECD Ministers recently adopted the Recommendation on the Governance of Critical Risks, a political commitment to improve policies, practices and capacities, at all levels of government, to contend with complex risks, thus contributing to the post HFA framework, by:

- Establishing a comprehensive, all-hazards and transboundary approach to country risk governance to serve as the foundation for enhancing national resilience and responsiveness.
- Building preparedness through foresight analysis, risk assessments and financing frameworks, to better anticipate complex and wide-ranging impacts.
- Raising awareness of critical risks to mobilise households, businesses and international stakeholders and foster investment in risk prevention and mitigation.
- Developing adaptive capacity in crisis management by coordinating resources across the government, its agencies and broader networks to support timely decision-making, communication and emergency responses. And-
- Demonstrating transparency and accountability in risk-related decision making by incorporating good governance practices and continuously learning from experience.

The Recommendation offers new avenues in the considerations of the post-2015 HFA, reflecting the urgent need for a more holistic approach, where the economic understanding of risk, its consequences, the role and strategies of government as a key actor together with other stake holders are brought together to build the conditions for inclusive and sustainable growth. Effective risk governance is particularly critical in the most fragile and conflict prone areas where resilience of societies need to be nurtured. Political economy issues, the need to restore trust and to foster openness and accountability are also key for building resilience into the future. Working along those principles will also help to ensure coherence with the post-2015 Sustainable Development Framework.

The OECD will support countries in the implementation of the recommendations, through policy analysis, peer review, benchmarking and exchange of best practices. It will report on the outcomes, and stands ready to share the good practices and lessons learned, for the benefit of the broader international community.