

- How much are disasters costing us?
- Is disaster risk going to increase in the future?
- Have we made progress in reducing risk over the last years?
- What continues to drive disaster risk?
- Where do we go from here?

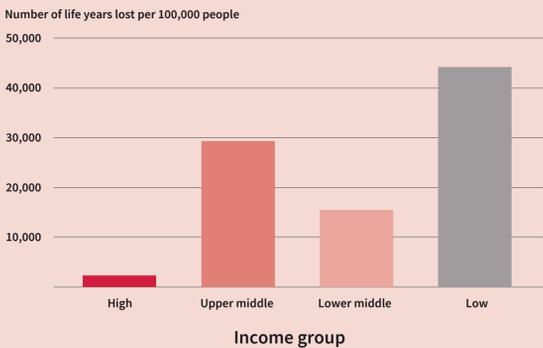
Managing disaster risk for sustainable development with: Is it possible?



The disaster burden is real

The total direct cost of disasters is equivalent to that of major diseases. An average of **42 million human life years** are lost in disasters each year, equivalent to the number of years lost to tuberculosis. This burden is shouldered by those with lower incomes: of all the life years lost, more than **80 per cent** are lost in low and middle-income countries.

Life Years Lost



Implications of disaster risk for development capacity



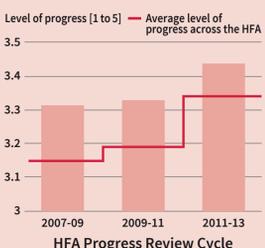
Countries will be affected in different ways: while for Greece, the potential of economic growth will be affected, the challenge facing middle income countries like the Philippines is one of social development.

Can disaster risk be reduced?

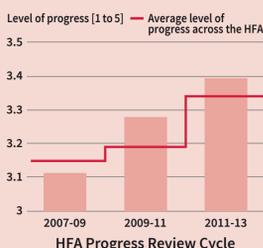
Over the last 10 years, there has been significant progress in developing institutions, policies and legislation for disaster risk reduction.

Further, capacities for risk assessment and identification, disaster preparedness, response and early warning capacities and in reducing specific risk have been significantly strengthened.

Governance



Risk Assessment

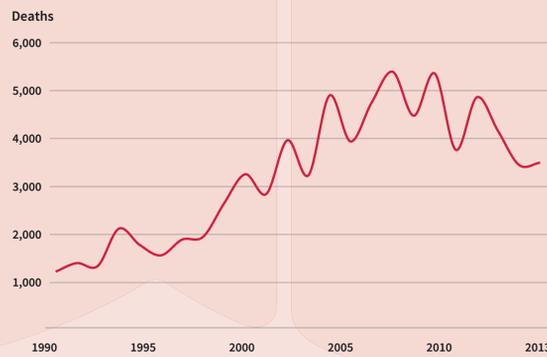


Progress has been limited in most countries, however, in managing the underlying drivers of risk.

Losses from Disasters remain high

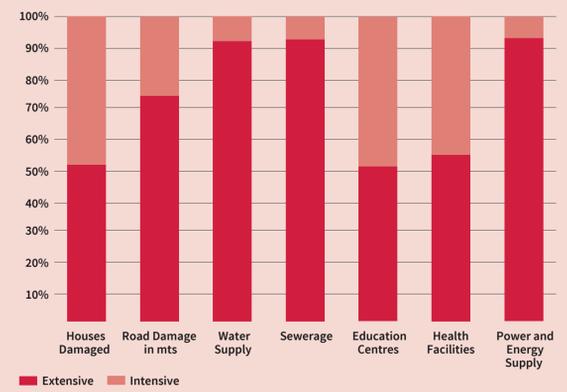
Disasters continue to cause significant damage, both in terms of lives lost and assets destroyed. Mortality is concentrated in very intensive disasters; therefore, it is difficult to perceive trends over relatively short periods of time. However, mortality from smaller-scale events continues to increase.

Extensive mortality, 1990-2013 (65 countries, 2 states)



A large amount of damage occurs in small disaster events; constantly eroding essential development assets.

Damage due to extensive risk since 1990



This is a particular problem for low and middle income countries that already struggle to maintain and invest in new public infrastructure and services.

Future losses represent a substantial opportunity cost

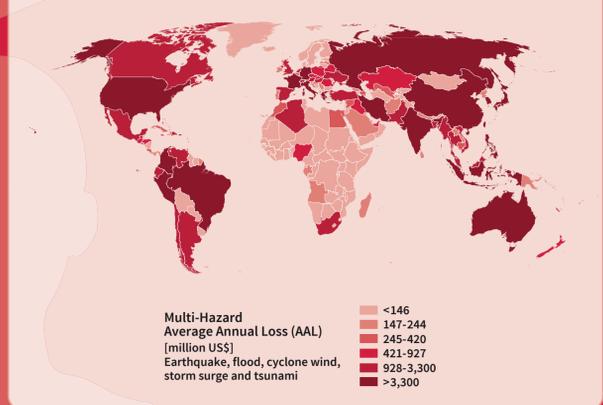
Losses are expected to increase in the future, unless disaster risk is managed more successfully.

Expected annual losses are now estimated at **US\$314 billion** in the built environment alone.

Global Assessment Report on Disaster Risk Reduction

2015

Global multi-hazard average annual loss



Climate Change modifies disaster risk

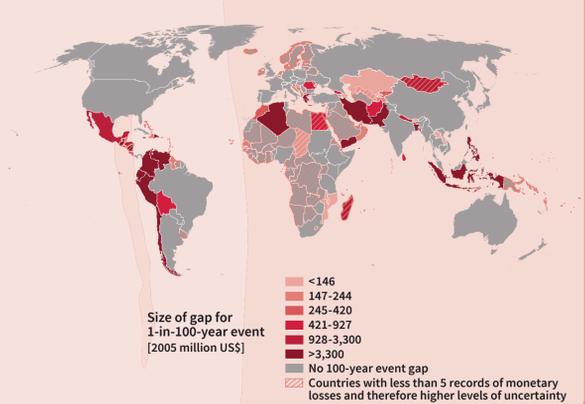
In most cases, climate change will increase the risk of disaster loss. In the Caribbean basin, climate change will contribute an additional **US\$1.4 billion** to the expected average annual losses from cyclone wind damage alone.

Estimated future losses from tropical cyclones compared to capital stock, investment and social expenditure in SIDS



Many countries would not pass a stress test of their fiscal resilience to a 1-in-100-year loss event.

Global multi-hazard average annual loss



Countries as diverse as Algeria, Chile, Greece, Indonesia, Iran, Nicaragua, Pakistan and the Philippines would be severely challenged.

Managing risks, rather than managing disasters, now has to become embedded in the very DNA of development, **Prospective** risk management, which seeks to avoid the accumulation of new risks; **Corrective** risk management, which seeks to reduce existing risks; **Compensatory** risk management to support resilience in the face of residual risk.

Annual global investment of US\$6 billion in appropriate disaster risk management strategies would **generate total benefits in terms of risk reduction of US\$360 billion**.

This is equivalent to an annual reduction of new and additional average annual loss by more than 20 per cent.

Disaster risk can be reduced and it **makes good financial sense**. In fact, investing in disaster risk reduction is a precondition for developing sustainably in a changing climate.

