### Event title
Unlocking the resilience dividend

### Date and Time
16 May 2019, 11.15 – 12.45

### Venue/ Room no.
UNISDR Focal Points

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### Background and Rationale
The resilience dividend, as first promoted by the Rockefeller Foundation, enables public and private decision-makers worldwide to better understand the multiple short and long-term co-benefits of comprehensive disaster risk reduction. The resilience dividend covers three main areas - economic, social and environmental development - and goes beyond the traditional focus of saving lives and livelihoods when a disaster occurs. Critically, it emphasises that investments in disaster risk reduction need to become an integral element of development, poverty alleviation, fiscal stability and sustainable economic growth.

However, despite rapidly rising economic damages and warnings on the need for public and private investors to properly price social, environmental and climate related risks, large volumes of capital continue to flow to locations that are hazard prone and least able to cope. This leads not only to further exposure of people and assets to already existing risks, but often also to an accumulation of new risks. The critical question ‘who is protected and who pays’ is not just a technical, but also a political one.
The links between utilities infrastructure and the wildfires in California in 2018 is just one example which points to the need to address systemic failures across our current financial, economic and social systems.

Faced with humans’ natural risk-inertia of, governance failure and an economic system that has - until now – been seen as well functioning in face of disasters, we need to urgently find solutions to encourage the shift in investment behaviours needed to achieve long-term resilience and safeguard our common future.

One critical angle to encourage more risk-informed investment is to better promote and develop financial and economic incentives for risk-informed investment and business strategies. As highlighted by Sendai Para 36c), the financial sector and its regulators, due to their strategic location and huge leveraging powers within the overall business community and its close links to the public sector, can and must play a critical role in triggering this shift.

We have an opportune window to accelerate action with the growing realization within the financial and private sector about so far hidden business risks related to disasters and potential dividends of resilience. This starts from profit savings in case a disaster strikes, but also goes further to the reduction of reputational, regulatory, and litigation risks to business opportunities linked to new products, services and markets.

Work such as on integrated reporting and the disclosure of climate risks in financial reporting of listed companies, as now rapidly ongoing under the EU Sustainable Finance Initiative, Task Force on Climate Related Financial Disclosures and statements of commitment by major companies at COP24, indicate change on the horizon.

A better understanding the physical risks of disasters and climate change, closely interlinked with other risks, including litigation, reputation and transition risks, must be an integral part of the discussions. For this, countries need long term resilience plans and governance reforms, similar to those being put in place for the clean energy transition, that match investment strategies.

The time is ripe, as 2019 promises to become the year for resilience, with processes and meetings such as the High-Level Political Forum (HLPF), high-level Dialogue on Financing for Development and UN Climate Summit, as well as 2020 events such as the Ocean and Biodiversity Conferences highlighting the need for action.

| Session objectives | While resilience can only be built in a joint effort from Governments, |
business and civil society partners, the financial sector through its leveraging power and cross-cutting reach can lead fast change at an unprecedented scale.

Building on the discussion at the High-Level Roundtable on Public-Private Partnerships, this session will deep dive into concrete opportunities for incentivizing financial sector action to achieve the resilience dividend. The session will thereby highlight progress and opportunities within the financial, environmental and social communities and discuss how disaster risk reduction knowledge, tools and mechanisms can support a comprehensive, multi-hazard approach to risk reduction.

The session will also table and discuss concrete options for specific contributions from sectors in support of disaster risk reduction and sustainable economic resilience for the discussions at the UN Climate Summit.

### Expected Outcomes

1. **What key recommendations can be made to policy makers to accelerate the implementation of the Sendai Framework for DRR?**

   Promoting a coherent approach to disaster and climate risk for risk-informed decision making and investment within the ongoing climate and sustainable financing discussions in the financial sector. The Sendai Framework and experience of the DRR community provides a huge resource for the public and private sector to build and support enabling environments and conditions for risk-sensitive investment by institutional, sovereign and private investors.

2. **If applicable, how does this session contribute to the achievement of Sendai Target E?**

   In order to build the required regulatory environment for risk-informed investment by all sectors, including the finance sector, the business community and its regulators must be aware and engaged in the development of national and local strategies under Sendai Target E). It is thereby critical that these strategies are aligned with the broader national strategies and policies on climate change, development, financing and investment.

3. **What inputs can be provided to the HLPF and Climate Change Summit to inform their deliberations from a Disaster Risk Reduction perspective?**

   The session aims to build a pathway to engaging decision makers and key players shifting trillions of dollars of assets, in disaster risk reduction to
achieve the resilience dividend. This includes exploring option for concrete action of the financial sector to promote Sendai in the discussions at HLPF, review of the Addis Ababa Action Agenda and financing for the SDGs.

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<th>Special commitments / Announcements</th>
<th>Expected commitments in support of the implementation of the Sendai Framework and announcements from panellists or participants</th>
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| Proposed Moderator of the Session   | Professional moderator with finance background  
Emily Wilkinson, Overseas Development Institute (ODI) |