Version 18 March 2019

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**High Level Dialogue**

**Concept Note Template**

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| **Event title** | Risk-informed Public and Private investments |
| **Date and Time** | 16 May, 9:00 - 10:30 |
| **Venue/ Room no.** | Room 1 |
| **UNISDR Focal Points** | **Katarina Mouakkid Soltesova, katarina.mouakkidsoltesova@un.org**  **Raul Salazar, salazarr@un.org** |
| **Background and Rationale** | The global urbanization trend is resulting in a sharp increase of capital investments in urban areas, many of which are exposed to various natural and man-made hazards and concentrate marginalized population living in highly vulnerable conditions. It is estimated that in the next 30 years, trillions of dollars in investments will be made across all sectors and geographies hence there is a clear and urgent need to ensure that those investments, both private and public, are risk-informed and that the related natural or man-made hazards and climate risks are considered ahead of short term political or economic gains. Failing to do so, will result in the creation or amplification of future risks and losses.  The incremental investment to make facilities and infrastructure resilient and the use of risk reduction principles and metrics for all investment classes to avoid the creation of new risk, is small considering the benefits this can generate.  Influencing investment decisions that too often favour short term risk-blind gains towards more risk informed investment, will only be possible through access and use of effective risk identification and quantification and pricing of risk[[1]](#footnote-1) across all investment classes.  Equally important is the need to target public and private investments to mitigate and/or reduce the level of risk of existing assets. This includes both risk of loss of life or injury and asset destruction. Changing climate conditions have elevated risks where substantial costs will be incurred to respond and recover if investment is not made to retrofit these assets increasing its robustness and durability. Examples of recent years show how repeated disaster events are now leading some countries, communities and companies to make pro-active decisions to spend money to improve resilience, highlighting the importance of planed decision making on resilient standards and political will for its implementation before disasters strike.  If both private and public investments are not risk-informed the aspirations enshrined in inter alia the 2030 Agenda for Sustainable Development for durable, resilient solutions will not be realised. Particularly, when considering achievement toward SDG’s 8 and 10, which focus on ensuring sustainable economic growth and reducing inequality, there is a clear need and opportunity to take advantage of the multiple dividends generated from risk informed investment. |
| **Session objectives** | What does this session aim to accomplish? (2 to 3 bullets)  The High-Level Dialogue "Risk-informed Public and Private Investment” aims to highlight the opportunities that have been identified to link the processes of disaster risk management both in public and private investment. This session will provide the opportunity for participants to showcase approaches, review progress that has been made, and offer good practices and solutions that ensure investment takes clear considerations of present and future risks.  For this purpose, the session will aim to:   * Showcase successful approaches in integrating risk management considerations into public and private investment decisions. * Highlight where infrastructure decisions opted to incur incremental cost to make facilities more resilient to avoid future human and economic losses. * Illustrate real life examples of the positive impacts and multiple dividends of risk informed investments by using accurate, up-to-date information on existing risks: share experiences and advances on the integration of risks (or accurate pricing of risk) in national budgets and corporate capital investment. * Demonstrate how communities have voluntarily upgraded local codes to address risks and identify where voluntary standards have emerged in the absence of political decisions. * Demonstrate an understanding of incentives for making risk informed investments: What are the inherent incentives and how can policies create incentives? * Identify the obstacles (i.e. predictive science limitations, financial, uncertainty, expertise) for the integration of disaster risk considerations in public and private investment evaluation, planning, design and construction. * Discuss about examples where proper options of infrastructure location have been considered in the evaluation of investment projects. |
| **Agenda and Structure** | 1. Discussion and introduction of the rationale by the moderator of the Session 2. Country presentation of advances, challenges and limitations in identifying, quantifying and integrating disaster risks considerations (risk pricing) when planning or evaluating investments. 3. Presentation from private sector think tank on the status of building codes and standards, principles and metrics to align better with future risk scenarios to create risk resilient communities (The Economist Intelligence Unit or other) including the emergence of voluntary standards where current standards are inadequate. 4. Round of discussion on incremental investments that provide higher level of disaster risk reduction.   Discussants - Representatives from Ministries of Economy and Finance, transportation, energy, private sector corporate representatives and other sectors will discuss the challenges they face in developing financial risk management actions and analyse the possibility of a regional initiative to support risk sensitive investment management plans. |
| **Expected outcomes** | * Identify successful approaches for integrating risk management into public and private investment decisions. * Illustrate positive impacts and multiple dividends of risk informed investments in using risk knowledge advances in national budgets, public and private infrastructure and corporate capital investment. * Identify the obstacles for the integration of disaster risk considerations in public and private investment evaluation, planning, design and construction. * Spearhead action to ensure measures are put in place to incentivize public and the private sector to commit to risk-informed investments and practices. * Create sense of urgency to update voluntary industry certification and standards (including building codes) that are disaster scenario specific. |
| **Special commitments / Announcements** | ***Expected commitments in support of the implementation of the Sendai Framework and announcements from panellists or participants*** |
| **Proposed Moderator of the Session** | David Eades, BBC |
| **List of Panellists** | Sandra Wu- Global Compact UN  Mr. Isidoro Santana. Minister of Planning – Dominican Republic (TBC)  Mr. Hiroshi Yamakawa, President-Japan Aerospace Exploration Agency (JAXA)  Mr. Hans T. Sy. Chairman of the Executive Committee SM Prime Holdings Inc.  Hon. Sylvia Chalikosa, Minister in the office of the Vice President of Zambia.  Discussants from the floor  1. Daniel Sanders, RMS  2. Aris Papadopoulos, Founder & Chair at Resilience Action Fund |
| **Reference Documents** | 1. Towards disaster-risk sensitive investments: The Disaster Risk-Integrated Operational Risk Model   <https://www.unisdr.org/files/51068_eiutowardsdisasterrisksensitiveinve.pdf>   1. Guidance to Banking Sector-Implementing TCFD   <http://www.unepfi.org/news/industries/banking/tcfd-recommendations/>   1. Canada infrastructure plan over 12 years : examples of disaster risk mitigation and climate change adaptation inclusive of the whole society   <http://www.infrastructure.gc.ca/plan/about-invest-apropos-eng.html>  <http://www.infrastructure.gc.ca/alt-format/pdf/plan/2018-04-16-ICP-PIC-english-flat.pdf>   1. Commission action plan on financing sustainable growth.   [https://eur-lex.europa.eu/legal- content/EN/TXT/PDF/?uri=CELEX:52018DC0097&from=EN](https://eur-lex.europa.eu/legal-%20%20%20%20%20content/EN/TXT/PDF/?uri=CELEX:52018DC0097&from=EN)   1. Commission Communication: Reinforcing integrated supervision to strengthen Capital Markets Union and financial integration in a changing environment <http://ec.europa.eu/finance/docs/law/170920-communication-esas_en.pdf> 2. Insuring Nature to Ensure a Resilient Future: Can a new fund in Mexico create a first-ever insurance policy on nature?. <https://global.nature.org/content/insuring-nature-to-ensure-a-resilient-future> 3. Resilience, the ultimate sustainability: lessons from failing to develop a stronger and safer built environment. <https://www.preventionweb.net/publications/view/42406> 4. Is your home built to last? https://www.unisdr.org/archive/58997 5. Environmental impact bonds can help make coastal communities safer. <http://blogs.edf.org/growingreturns/2018/08/14/environmental-impact-bond-coastal-communities/> 6. On the TDF initiative:   https://www.unenvironment.org/news-and-stories/press-release/16-banks-and-united-nations-produce-first-guidance-help-banking  <http://www.unepfi.org/news/industries/banking/tcfd-recommendations/>   1. Innovative finance for resilient infrastructure - Lloyd's of London   <https://www.lloyds.com/~/media/files/news-and-insight/risk-insight/2018/innovative-finance-for-resilient-infrastructure.pdf>   1. Staying a Step Ahead of a Natural Disaster: Can Innovation and Technology Help?   <https://www.gfdrr.org/sites/default/files/publication/Riskier%20Future.pdf>   1. Financing disaster risk reduction for sustainable development in Asia and the Pacific   <https://www.unescap.org/sites/default/files/ESCAP_Financing_DRR_2015.pdf>   1. I. Feldman, K. Schultz & T. Baumann, “Introducing Adaptation Ledger: Advancing Climate Adaptation Solutions and Mobilizing Finance Via Integration of Blockchain, Smart Standards and a Unified Metric for Vulnerability Reduction, “ (2018) available at: <https://docs.wixstatic.com/ugd/621230_2badf731167c4ad0bbb9864972d617d1.pdf>. |
| **Technical equipment requirements** | The session will require technical equipment to support ppt or video presentations.  The session will aim construct a way for attendees to immediately and electronically weigh in and identify themselves as wanting to connect with the session round of questions. |

1. Pricing of risks refers to the process of identifying, quantifying and integrating disaster risks considerations when planning or evaluating investments. [↑](#footnote-ref-1)