



Permanent Mission of Norway
to the United Nations
New York



Bridging Gaps in Financing Disaster Risk Reduction for Resilient Development and a Sustainable Future

4 December 2024, 1:15pm to 2:45pm, Conference Room 7, UNHQ

Background

Disasters are becoming increasingly frequent, intense, and widespread, affecting millions of people across the globe, and eroding hard-earned development gains. Emerging and future risks, including those associated with global climate change, biological hazards, rapid technological changes, urbanization, and environmental degradation, highlight the critical need for a proactive and comprehensive approach to risk management, as recognized in the recently adopted Pact for the Future. The necessity to act is underscored by the financial toll disasters have on governments, businesses and individuals.

However, the Midterm Review of the Sendai Framework in 2023 revealed that disaster risk reduction (DRR) remains severely underfunded, with only 10% to 25% of the required financing for disaster risk reduction and climate adaptation being met globally. This lack of investment has trapped many developing countries in a cycle of “disaster-response-recover-repeat,” with rising disaster costs straining government budgets and forcing reactive approaches.



While many have DRR strategies, funding remains insufficient. To break this cycle, comprehensive financing strategies are needed, drawing on public, private, and international resources. A mix of financial tools—such as risk retention and transfer mechanisms—must be employed to build a resilient system capable of responding to both immediate and long-term risk, while investment in risk reduction is paramount to bring down the overall cost of disasters.



International development assistance remains a vital source of support for many countries grappling with recurring disasters, but its effectiveness is hindered by the complex realities on the ground, which are not always factored in. It is critical to make development assistance more accessible and responsive to local needs by simplifying procedures and taking into account context specific multi-dimensional vulnerabilities. By incorporating resilience into projects formulation and delivery, donors can also ensure that resources are effectively directed towards fostering sustainability, and long-term resilient development.

The private sector also plays a crucial role in DRR by providing resources, innovation, and expertise. As businesses face supply chain disruptions, infrastructure damage, and financial losses from disasters, they have a clear interest in building resilience. However, financial barriers and regulatory gaps often limit their contributions, and many companies overlook disaster risks in decision-making due to short-termism bias, inadequate governance structure, and limited risk understanding, increasing their vulnerabilities. Most jurisdictions also still lack standards and taxonomies on what constitutes as adaptation and resilience finance, which is crucial in guiding

investor capital towards resilience building and facilitating the emergence of market instruments for DRR. Through collaboration with governments and international organizations, the private sector can standardize markets, develop innovative DRR solutions, enhance capital for resilience building, improve early warning systems, and adopt risk management practices, and sustainable operations.



To address the growing gap in financing for disaster risk reduction, the global community must seize the opportunity presented by the upcoming Fourth International Conference on Financing for Development (FFD4), to systematically integrate disaster risk reduction and resilience building in relevant development finance flows, as well as to encourage inclusion in national policies and international financial frameworks, with the aim of ensuring that adequate resources are allocated for resilience-building measures at all levels as a policy, programmatic and investment imperative.

Objective

This side event will explore how strategic foresight can be leveraged to transform the financing ecosystem by promoting greater investment in prevention, improving resource allocation and access, and developing innovative financial solutions to reduce the impact of disasters and foster long-term resilience.

It will aim to identify priority areas, and the relevant entry points for scaling up disaster risk reduction financing based on the elements paper being considered at the Second Preparatory Committee Meeting for FFD4.

Format

The event will feature a panel of experts that will provide insights on the current state of affairs, and impactful actions that can be advanced through the outcome of the FFD4 Conference. Member States and participants will have the opportunity to highlight their priorities, and identify issues that may require high-level advocacy in the lead up to the next Preparatory Committee Meeting.

Guiding Questions

1. How can DRR be positioned as a central component of the FFD4 outcome and further integrated across relevant development financing frameworks to build synergies and scale up resources?
2. How can public and private actors be incentivized to invest in DRR and shift to proactive risk prevention?
3. What innovative financial mechanisms can be developed or scaled up to close the existing financing gap for DRR?
4. How can the UN system support governments in ensuring that DRR financing is integrated into national policies, budgets, and development plans?
5. What role should international cooperation and development finance institutions play in supporting DRR financing, in the context of increasing vulnerabilities?



Agenda

1:15 – 1:30 Opening Remarks

Ms. Paola Albrito, *Director* - United Nations Office for Disaster Risk Reduction

Co-chairs of the Group of Friends for Disaster Risk Reduction

H.E. Mrs. Carolyn Rodrigues-Birkett, *Ambassador/Permanent Representative of Guyana to the United Nations* – on behalf of CARICOM

1:30 – 2:00 Presentations by Panel

Moderated by **Mrs. Janine Felson**, *Ambassador/Deputy Permanent Representative of Belize to the United Nations*

1. **H.E. Mr. Lok Bahadur Thapa**, *Ambassador/Permanent Representative of Nepal to the United Nations* – Chair of the Least Developed Countries
2. **Mr. Rodrigo Cruvinel Barenho**, *Second Secretary, Permanent Mission of Brazil* - Reflections from G20 President
3. **Manann Donoghoe**, *Senior Research Associate* – Brookings Institution
4. **Bridget Carle**, *Senior Vice President, Public Sector Practice* - Guy Carpenter (member of the Insurance Development Forum)

2:00-2:30 Interactive Discussion

There will be no pre-established list of speakers for this segment, participants are requested to indicate their interest to intervene when the floor is opened.

2:30 – 2:40 Reflections on the way forward

Ms. Shari Spiegel (tbc), *Director of the Financing for Sustainable Development Office* – United Nations Department of Economic and Social Affairs

2:40-2:45 Closing Remarks

Ms. Paola Albrito, *Director* - United Nations Office for Disaster Risk Reduction
