



Systemic Risk CDM and the Pathway to Resilient Development in the Caribbean

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Caribbean Context



Long history of disaster experiences

- Impact on affected societies has debilitated and retarded development
- Derailment on the economies is well documented

Preparing for the unknown and bolstering resilience is ever more challenging

- Every disruptor cannot be stopped or prevented (pandemic, terrorism, cyber threats or severe weather)
- Recent events have illustrated the scale of the challenge

27 billion damages and losses between 2000-2017 in 13 CDB BMCs

2010 Earthquake in Haiti resulted in USD 8.1bn (114% of GDP in losses)

Tropical Storm Erica in Dominica - USD 483mn or 90% of GDP in losses.

Hurricane Maria 2017 Dominica - USD 1.3 billion or 200 % of GDP

Irma Anguilla - USD 332 million

Decades of Hazard Impacts and Losses



Managing emerging risk involving other than those traditionally responsible for emergency management

Critical if we are to manage the challenge of a world of more frequent, unprecedented and interfacing events

Population and economy growth increase exposure with complex interdependencies

Leads to more unknown and interfacing vulnerabilities

Requires a refocused mindset at all levels

understanding the implications of risk for DRR and resilience

how to apply that thinking to our work

The challenge is still before us...



CARICOM Working Party on Insurance and Reinsurance 1996 challenged the region to address risk and risk analysis to inform sustainable development

Recognition of the need to assess the context of the foundations of the theory and DRM practice

Think about how it can be operationalised and answer the bigger question of “what is a disaster?”



Systemic Risk - Big conceptual idea but..

Key Reflective Considerations



What does this change for us?

Should we invest in a conceptual definition or in the solutions to understand and address the drivers of risk? At what scales?

How is it different from the traditional probabilistic risk?

What do we know about traditional risk and its relation to policy formulation?

What are the tools for moving the science to inform both policy and practice?

What are the governance arrangements that currently inform risk understanding and facilitating a national risk framework for action?

Resilience as a core principle

Forges dialogue on risk

Acceptable levels of risk

Context of risk transfer

Relief policy and risk indifference

Focus on capacity and less on loss

Development that does not create exposure



The dialogue of systemic risk gives us an opportunity to reflect on the interface between CDM and the Pathway to Resilient Development in the Caribbean

Adequacy of Risk Governance for SIDS



What are spaces for linking risk understanding to policy and decision making? – Who, How and When? (GOVERNANCE)

Does its current articulation adequately capture the social dimensions and constructs of risk and its management (DRIVERS!).

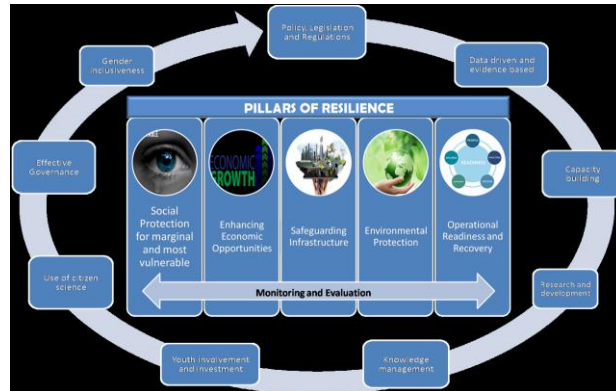
What are the governance implications for risk that recognizes its social connection?

What are the data and analytical platforms for supporting these?

How to engage more focus on socialized risks, safety nets, social protection in a changing risk environment

Do we need a specific focus on systemic risks? What adjustments in capacity are required, by whom and for what?

Building national resilience



Not starting from scratch but there is room for improvement and reform in our approach

Articulation of risks and categorization within a resilience framework provide an agenda to tiered approaches

Allows for understanding and improving current practice action even as we grapple with the more complex systemic issues

Approach that complements CDM and the Resilience Pathway - applying a resilience lens where complexity prevails and traditional risk management is insufficient



WHAT IS CDM?

- ▶ CDM is the management of all hazards through all phases of the disaster management cycle by all peoples - public and private sectors, all segments of civil society and the general population
- ▶ CDM involves risk reduction & management and integration of vulnerability assessment into the development planning process
- ▶ Regional vehicle for implementation of the Sendai Framework



Structural resilience

- Considers the systemic dynamics within the organization
- Encompasses redundancy, modularity and requisite diversity
- Focuses on bouncing back faster.
- Most familiar resilience strategy in the Caribbean but can be an expensive approach

Integrative Resilience

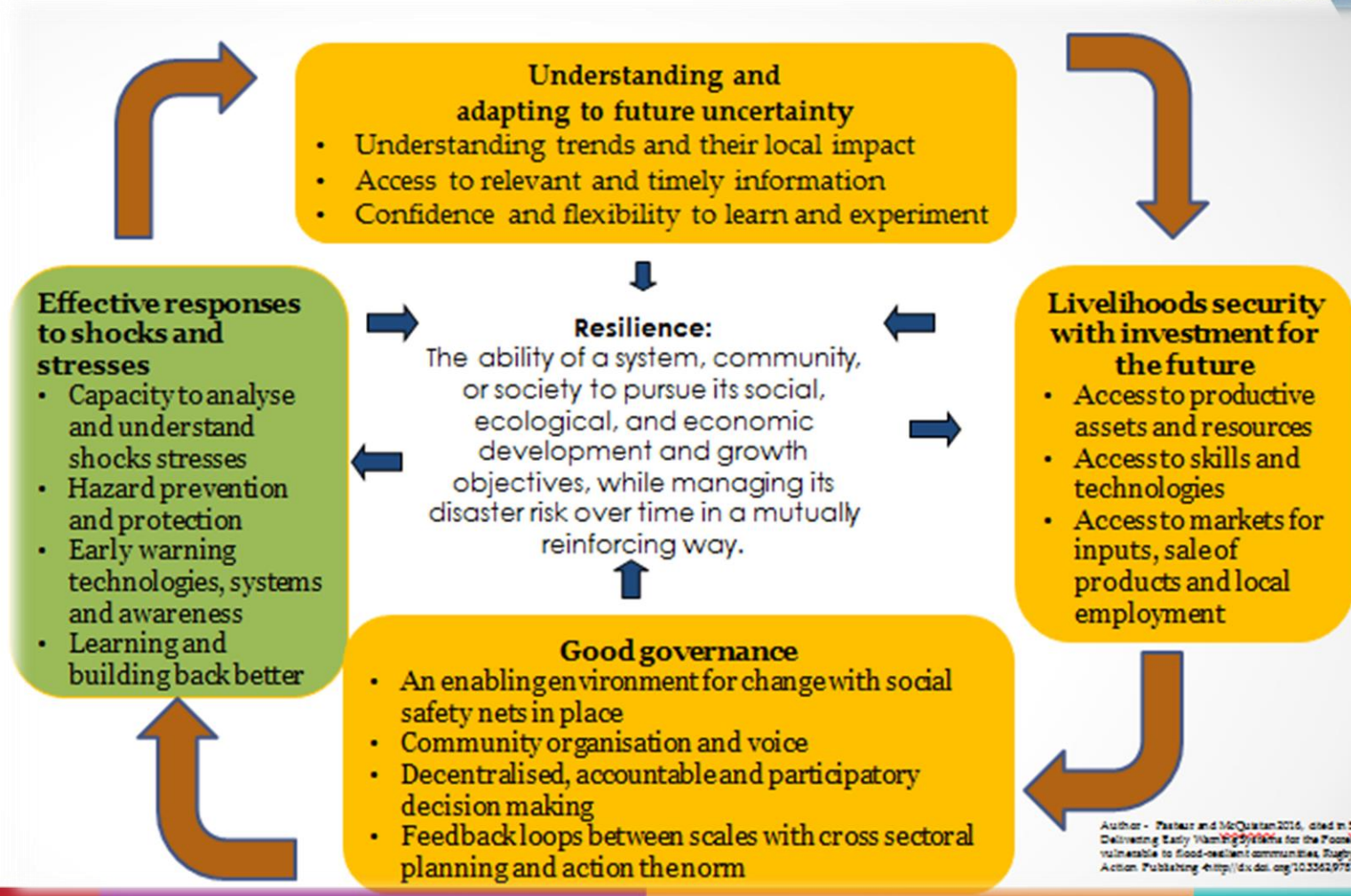
- Underlines complex interconnections with the external context
- Multi-scale interactions; thresholds, social cohesion

Transformative Resilience

- Recognizes that mitigating some risks requires transformation
- Internally led or externally driven



Resilience Concept to Policy



Moving towards the Resilience Action Framework



Resilience Action Framework provides the context for structured efforts to the enhancement of our probabilistic approaches to risk management even as we seek appreciate the complexity in which it is anchored



Establish a broad interdisciplinary team to reflect on the big questions above and frame the process for the generating, analysing on the results for policy informed by new thinking



Undertake an assessment of the nature of probabilistic risk practice across the regions and how these impact or inform policy and practice



Inventorize available tools and skillsets needed to address the gaps in systemic literacy



Identify the processes which make people to vulnerable and unable to invest in their futures

Outcome of the practice reflection on addressing systemic risk



Vision

- Caribbean Resilient Zone with enhanced ability to assess and understand the risks we face platformed on a system that is proactive, adaptable and responsive whilst contributing to reducing inequalities

Core Principles

- Understanding the risks faced, the impacts they could have and our exposure to them
- Investment in preparation to better prevent, mitigate and recover
- Energising and empowering everyone who can contribute

Strategic Areas of Work

- Risk and Resilience
- Responsibilities and Accountability
- Partnership Development and Management
- Investment
- Resilience in an Interconnected World

Understanding and strategic application of a broader approach to risk management



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