



CONCEPT NOTE

Title: Parallel Session 8, Understanding systemic risk and promoting a risk-informed people-centred sustainable development

Date and time: Thursday, 4 November 2021 (Day 4)
11:00 AM - 12:00 PM Jamaica time, Eastern Standard Time Zone (Jamaica, Panama, Mexico, Peru)

Venue: Virtual

Lead organizations: United Nations Office for Disaster Risk Reduction (UNDRR)

Co-lead organization: University of the West Indies (UWI)

Contributing agency: UNICEF

GOALS

1. Enhance understanding of systemic risk, its construction and deployment.
2. Examine the current situation and risk factors in the Americas and the Caribbean, highlighting the interconnectedness of social, ecological, economic, and political systems.
3. Promote risk-informed, people-centred sustainable development that recognizes the systemic nature of risk and interconnectedness of systems.

GENERAL DESCRIPTION

The last decades have been marked by an increasingly complex set of risks that are interwoven into all facets of our societies, including in societal systems such as businesses, infrastructure, and communities. Decades of progress and billions of dollars in investments have been jeopardized by the negative effects produced by different hazards, such as hurricanes, earthquakes or wars. As the number of disasters and their catastrophic consequences has increased, national and local governments face numerous challenges



to both create the enabling environment to manage disaster risk (including mitigation and prevention) and respond effectively to prevent further losses of lives and assets.

The nature of our globally interconnected world means shocks, stresses and crises reverberate globally and are exacerbated by the interaction between climate change, ecosystem fragility, pre-existing inequality, and political or financial instability. The current COVID-19 disaster is a vivid example of systemic compound risk. It shows us that the very nature and scale of risk have changed to such a degree that it has the potential to overwhelm established risk management approaches and the reach of institutions. The global health crisis is affecting sectors that are critical to generating income and employment, such as tourism or the right to education, and has revealed the precarious nature of the systems upon which trade, food, energy, transportation, and social safety nets depend.

As protracted crises can last decades and transition out of them is frequently very challenging, the need for humanitarian funds is at an all-time high. Meeting increasing demands require reorienting efforts from simply delivering aid to reducing the need for such humanitarian interventions. Humanitarian and development actors, governments and donors need to jointly address structural inequalities and reduce underlying risk drivers, so that vulnerable communities can withstand future natural and human-induced crises even as they recover from them. These joint efforts need to be based on a shared analysis of the risks (hazards, exposure, vulnerabilities, and capacities) facing populations, and their interconnections. This shared analysis most often does not exist, which leads to an overall response to risk that is fragmented and inefficient. Understanding risk and its systemic nature is a fundamental step towards reducing and managing it.

Presently, disaster risk management is fully integrated in the development agenda. In 2015, three international frameworks were signed with clear targets to reduce disasters and humanitarian suffering for the world's population. In March, the Sendai Framework for Disaster Risk Reduction (DRR) was adopted, and national governments committed to prevent new disaster risks and reduce existing ones by reducing hazard exposure and vulnerability and increasing preparedness and resilience. In September, 17 Sustainable Development Goals (SDGs) were adopted at a UN Summit, three of which emphasize disaster risk: end poverty, build resilient cities, and combat climate change. In December, the United Nations Framework Convention on Climate Change (UNFCCC) secured the Paris Agreement at the Paris Climate Conference, which charts a new course in the global climate effort by bringing all nations into a common cause to undertake ambitious efforts to combat climate change and adapt to its effects. All frameworks emphasize the role of science and objective data to monitor progress in risk reduction.

Now is the time for multi-stakeholder dialogue and action to understand and manage systemic risk. Progress towards risk-informed sustainable development will only be accelerated by incorporating systems-based approaches into the design of policies and investments across all sectors and regions, and at all levels. Initiatives such as the "Caribbean Safe School Initiative" can embed systemic risk from an early stage by including DRR and resilience education. Many disasters can be avoided or prevented if there are funded strategies in place to manage and reduce existing levels of risk and prevent the creation of new ones. These strategies need to integrate not only different government sectors but also different levels of government and multiple actors. When all those involved in crisis prevention, preparedness and response –



including governments, humanitarian and development agencies and donors – have a common understanding of risk, they can work more effectively together.

QUESTIONS THE SESSION WILL SEEK TO ANSWER

Questions will focus on four areas:

Disaster and crisis risk analysis approaches/tools/mechanisms at national level:

1. What is the approach to and objective of disaster risk analysis and assessment at national, local and sectoral levels, and which tools/mechanisms exist for systemic risk analysis?

Use of risk analysis for risk informed decision making (DRR and sustainable development):

2. Which national, local or sectoral actors use risk information and analysis for strategic decision-making on DRR and sustainable development? How are disaster risk assessment tools and analysis integrated into and used in decision-making processes on DRR and sustainable development? What has been the progress so far?

Challenges and opportunities to risk-informed decision-making (DRR and sustainable development):

3. What are the main challenges to and opportunities for the integration of disaster risk information, that takes into consideration its systemic nature, in strategic decision-making at national, local and sectoral levels?

National priorities for the implementation of Sendai Priority 1 (Understanding disaster risk):

4. What is/would be the main priority action(s) for national and local actors, as well as sectors, to foster the development and use of disaster risk assessment tools and analysis, and guide the implementation of Sendai Priority 1 (Understanding disaster risk)?