

Financing for Resilience

Concept Note

7 November 2024 | 16:30- 17:15 (CET) | Budva, Montenegro

Disasters can significantly disrupt development and prevent countries from achieving sustainable progress. Extreme weather events have doubled in the last 20 years, with Europe warming at more than twice the global average since the 1980s. Estimates predict a 60% increase in damage costs from these events in Europe by 2049. In Central Asia and the South Caucasus, disasters like droughts, floods, and earthquakes cause annual losses of 4% of GDP. Although investments in disaster risk reduction (DRR) have increased in some countries, funding is still insufficient, and the private sector's role remains limited. There is also a tendency to focus more on post-disaster response rather than preventive measures. Effective DRR depends on better preparedness and risk management. Often, disaster costs are underestimated because indirect impacts are not considered. Political leaders need to prioritize DRR for sustainable development and adopt a "think resilience" mindset. This means making risk information more transparent and using evidence-based financing to build resilience. Governments and international organizations have developed tools and strategies to support countries in financing disaster resilience, including through insurance and risk transfer mechanisms. This session will discuss the current state of disaster financing in the region, highlighting challenges, opportunities, and best practices.

Objectives

This session will address four main objectives:

1. Summarizing the status of disaster-related financing measures in the region of Europe and Central Asia, including the key challenges and opportunities related to policies, legislation, capacities, and budgeting
2. Better understanding the tools and strategies available for developing risk-informed financing frameworks
3. Sharing best practices on financing disaster prevention, preparedness, and risk transfer mechanisms.
4. Identifying partnerships supporting risk-informed investments, planning, and decision-making.

Preparation Materials and Resources

1. UN DESA & UNDRR (2024). GUIDANCE NOTE: INFFs for Disaster Risk Reduction ([LINK](#))
2. UNDRR (2023). Budget tagging for Disaster Risk Reduction and Climate Change Adaptation: Guide for design and taxonomy. ([LINK](#))
3. Regional Report: Midterm Review of the Implementation of the Sendai Framework for Disaster Risk Reduction 2015-2030 for Europe and Central Asia ([LINK](#))
4. UNDP scoping study on Insurance and Risk Financing Opportunities in Western Balkans ([LINK](#))

Speakers



Moderator: Tuga Alaskary
Technical Specialist for Risk Financing,
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Nadica Jovanovska-Boshkovska
Chief Project Officer, Europa RE &
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member



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