

Third United Nations World Conference on Disaster Risk Reduction  
**Preparatory Committee**  
**Second session**  
Geneva, 17-18 November 2014

**Summary report**

**Technical Workshop 2**  
**Toward the integration of disaster risks in financing**

Date, time: Tuesday 18 November, 10h00 – 12h30

Venue: Geneva, Palais des Nations, building E, room XIX

Session language: English  
(with interpretation into UN official languages)

**Moderator:**

H.E. Ambassador Toni Frisch,  
Special Adviser on Disaster Risk Reduction, Switzerland.

**Discussants:**

Ms. Anoja Seneviratne, Director, Mitigation, Research and Development, Disaster Management Centre, Ministry of Disaster Management, Sri Lanka.

Dra. Sandra Rodríguez, Advisor Vice-Ministry of Economy, Colombia.

Dr. Sebastian von Dahlen, Chief Economist, International Association of Insurance Supervisors, Bank of International Settlements.

Professor Molly Jahn, University of Wisconsin-Madison.

Dr. Rowan Douglas, WillisRe.

**Summary Report**

**to closing plenary of the Preparatory Committee, second session on 18 November 2014**

*By H.E. Ambassador Toni Frisch, Switzerland*

The session focused on how disaster risk can be integrated into public investment, fiscal policy and planning and financial regulation for the benefit of all people and societies, rich and poor. It explored the role science and the private sector can play in enabling risk-sensitive capital and investment flows. It discussed how regulatory bodies, as well as governments, businesses, investors are investigating how disaster and climate risk impacts financial stability, and thus economic stability, environmental and social stability.

Key challenges were discussed and included: short term focus of political and financial systems; hidden risks and their interdependencies mean that it is difficult to account for full costs, and understand the diverse impacts across physical and organisational boundaries; increasing uncertainty, especially of climate-related disaster risk associated; the undervaluing of indigenous knowledge; and the vulnerabilities of specific groups. Practical examples were provided which underlined the benefits from integrating disaster risk into fiscal and planning processes through preventative actions and enhanced transparency.

**Suggestions to the preparatory process and the Co-Chairs:**

- The Technical Workshop recognised that proactive collaboration between governments, regulators, science, business and financial institutions is fundamental if the true nature of disaster risk to, and its impact on, sustainable development and economic growth is to be revealed and effectively managed.
- The Technical Workshop explored the creation of an informal working modality for advancing collaboration between the different stakeholders, highlighted options for accountability of financial institutions to the post-2015 DRR framework, and emphasised that a reference to the role of financial regulation in the framework is important.
- It was stated that disaster risk needs to be part of all financial transactions and decisions; dedicated disaster risk management mechanisms are not enough. To this end, incorporate risk into capital: into every transaction, infrastructure investment, bank loan, equity price on stock exchange, and into the accounts of every country and city.
- The Technical Workshop welcomed the proposal by the science community to partner with governments and the financial community to research, test and scale up understanding of how to increase visibility of disaster risk in financial systems.

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