



Comprehensive risk management

BMZ activities to address disaster and climate risks

BACKGROUND

Everywhere in the world, people, ecosystems and economic and other infrastructure are **increasingly exposed to disaster and climate risks**. These risks are caused by extreme weather events (such as heavy rain), gradual changes (such as rising sea levels) and geophysical events (such as earthquakes).

- Over the last 30 years, more than **70 per cent of macroeconomic losses** from disasters were **caused by weather-related events**, which are influenced by climate change.
- Between 1998 and 2017, some **220 million people** a year **were injured, became homeless or displaced or required emergency assistance** as a result of such events. Every year, 26 million people are pushed into poverty and some 70,000 are killed by extreme events.

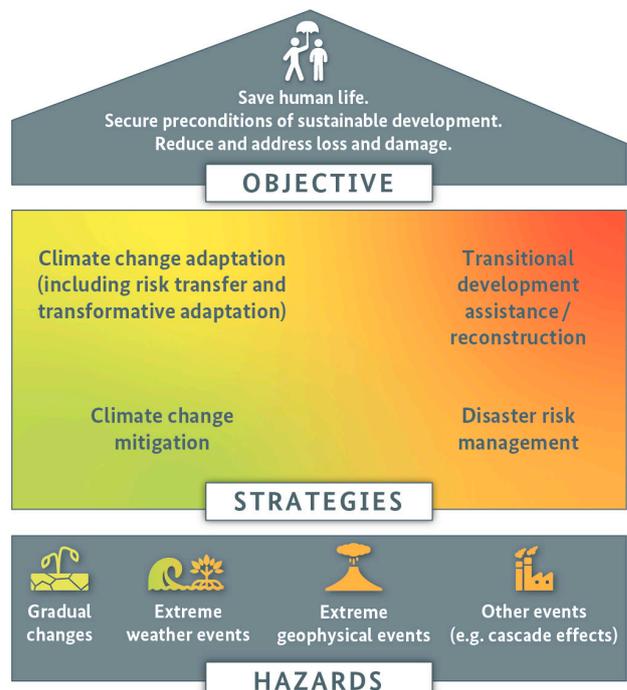
THE APPROACH OF GERMAN DEVELOPMENT COOPERATION

The Federal Ministry for Economic Cooperation and Development (BMZ) uses a comprehensive risk management approach to support the **implementation of the international agendas for sustainable and urban development, climate change mitigation and adaptation and disaster risk management**, and to increase the effectiveness of its projects and of international partnerships.

- The approach is geared towards protecting the **poorest and most vulnerable groups** against climate and disaster risks and to ensure that development achievements will not be undone. The BMZ seeks to enable governmental and

non-governmental stakeholders to take account of risks in their decision-making and to take action to address them.

- Instead of pursuing isolated measures, the Ministry combines tried-and-tested instruments and **innovative instruments for climate change mitigation and adaptation, disaster risk management and social protection** to form a comprehensive approach. Moreover, transitional development assistance is used to link humanitarian aid, which has the primary goal of saving lives, with development.
- There are also capacity building activities to train experts to combine and use the instruments strategically. Awareness and sensitisation campaigns and participatory methods ensure that there is strong backing for risk management among the public and policymakers.



KEY ACTIONS AND INITIATIVES

Germany is working to ensure coherent implementation of the international **agendas** as a basis for its approach of comprehensive risk management. Specifically, the BMZ supports the following activities and initiatives among others:

- The **InsuResilience Global Partnership**, which was founded in 2017, is supported by Germany and partners from the G20, the V20¹, international organisations, the private sector, civil society and academia. Its members develop and implement innovative financing and insurance solutions for people in particularly poor and vulnerable countries. Rapid finance is thus available for relief and recovery after natural disasters. It can also be used for prevention. Since this G7 initiative was first launched in 2015, about 70 per cent of the funding (450 million euros) has been provided by Germany.
- The **Global Initiative on Disaster Risk Management (GIDRM)** assists international and national governmental and non-governmental players in coherently planning, implementing and reporting on their actions on the global agendas. The initiative builds on positive experience from cooperation with national and regional partners in Latin America and South-East Asia. The BMZ is contributing 21 million euros to support the initiative.
- Germany is a founding member of the **Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts**. One focus of its activities is the work of the Technical Expert Group on comprehensive risk management. It has the purpose of enhancing knowledge and understanding of this topic in order to generate synergies, action and broader support.

FOCUS ON LATIN AMERICA

Notwithstanding the fact that many countries in Latin America have seen continuous economic growth since the turn of the millennium, the region is still characterised by extreme contrasts. **Growing climate risks** are exacerbating existing challenges. In that context, comprehensive risk management can make a strong contribution towards efficient policymaking.

- Within the framework of Chile's Presidency of COP25, the BMZ has been supporting pilot efforts for **climate risk mapping** in Chile and the publication of the data on a public platform. Through that effort, Germany is helping to improve policymaking and the planning of measures to address climate risks.
- The **OECD/G20 study on coherence between the Sendai Framework and the Paris Agreement**, which had been commissioned by the BMZ, includes a case study on Peru. It looks at challenges and opportunities for coherent implementation of the agendas and identifies openings for action.
- In **Mexico**, **GIDRM** supports the integration of the Sendai Framework targets into the national sustainable development strategy and the consideration of risks in the finance ministry's planning for public investment projects.
- The **NAP Global Network**, which was co-founded by the BMZ in 2011, works together with the environment ministry in Peru in order to ensure that gender equality and social vulnerability are taken into account in Peru's National Adaptation Plan (NAP) processes.

¹ Group of finance ministers from climate-vulnerable countries, working to mobilise funding