



Comprehensive risk management

BMZ's contribution to dealing with disaster and climate risks

BACKGROUND

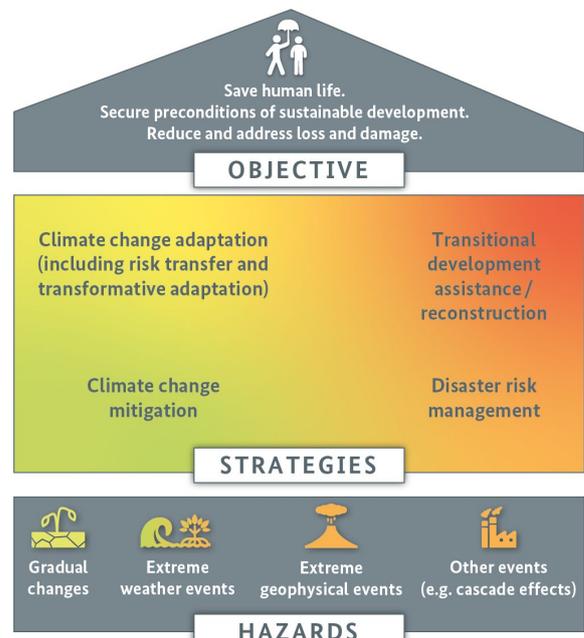
Across the world, **climate and disaster risks are on the rise**. These risks arise when natural hazards combine with vulnerability and exposure. Extreme weather events (such as heavy rain), slow-onset changes (such as rising sea levels) and geophysical events (such as earthquakes) are examples of natural hazards. Those hazards only turn into disasters, however, when they come up against vulnerable human systems. The potential of risks to cause entire systems to collapse has been highlighted by the recent COVID-19 pandemic and its global impact.

- Over the last 20 years, more than **70 per cent of economic losses** from disasters were **caused by weather-related events**, which are influenced and exacerbated by climate change.
- Between 2000 and 2019, some **200 million people** a year **were injured, became homeless or displaced or required emergency aid** as a result of disasters. Every year, 26 million people are pushed into poverty by extreme events and some 60,000 lose their lives.

GERMAN DEVELOPMENT COOPERATION'S APPROACH

With its Comprehensive Risk Management (CRM) approach, the Federal Ministry for Economic Cooperation and Development (BMZ) supports the 2030 Agenda for Sustainable Development, the New Urban Agenda, the Paris Agreement and the Sendai Framework for Disaster Risk Reduction (SFDRR). Comprehensive Risk Management also increases the effectiveness of BMZ-funded projects and the BMZ's international partnerships.

- The approach aims to protect the **poorest and most vulnerable groups** against climate and disaster risks and preserve the development successes achieved. Stakeholders are enabled to take account of potential risks in their decision-making and to put in place appropriate measures.
- Rather than pursuing individual measures, the idea is to combine both **established and innovative instruments** for climate change mitigation and adaptation, disaster risk management and social protection within one comprehensive approach. The instrument of transitional development assistance provides a stepping stone between development cooperation and humanitarian aid.
- Through capacity development activities, professionals are trained to strategically combine and apply these tools. Awareness raising campaigns and participatory measures generate strong public support on the ground for risk management issues.



KEY ACTIONS AND INITIATIVES

Germany is working to ensure coherent implementation of the various **international agendas**. Specifically, the BMZ supports the following measures and initiatives:

- Through the **InsuResilience Global Partnership** Germany supports a substantial scaling-up of risk finance and insurance solutions that address climate and disaster risks in developing countries. Germany initiated this Partnership in 2017 as a cooperation between the G20 and V20 countries (finance ministers of the 48 poorest and most vulnerable countries). It is today supported by over 90 members from a range of fields. The goal is to move from reactive measures to investments in readily available, predictable, on-demand funding for early action, relief, and recovery. Germany has already provided 550 million euros in support of the Partnership's goals.
- Since 2013 the **Global Initiative on Disaster Risk Management (GIDRM)** has been working to improve (disaster) risk management worldwide and assists international and national governmental and non-governmental actors in implementing the Sendai Framework. Together with partners in Africa, Asia and Latin America, the initiative has developed cross-sectoral risk reduction approaches and supported coherence in the implementation of post-2015 global agendas. It is currently advancing the planning and implementation of risk-informed development policy. The BMZ is providing the initiative with funding of 29 million euros.
- Germany is a founding member of the **Executive Committee of the Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts (UNFCCC WIM)**. After passing on its active membership to EU colleagues in 2020, Germany remains very active on the topic through the **GIZ Global Programme Climate Risk Management (Loss and Damage)**. One focus is on supporting the work of the WIM's Technical Expert Group on Comprehensive Risk Management. Its objective

is to enhance knowledge and understanding of the topic. Through the GIZ Global Programme, the BMZ also supports an **OECD project on Losses and Damages from Climate Change**, which is working on a comprehensive approach to dealing with climate and disaster risks using a smart mix of instruments.

COMPREHENSIVE RISK MANAGEMENT IN PRACTICE

- An **OECD/G20 study on coherence between the Sendai Framework and the Paris Agreement**, commissioned by the BMZ, includes three case studies on Peru, Ghana and the Philippines. It looks at challenges and opportunities for coherent implementation of the agendas and identifies specific actions that could be taken.
- In **Botswana**, GIDRM supports the Southern African Development Community (SADC) region in mainstreaming the risk-informed development (RID) planning paradigm into key sectors. The SADC Disaster Risk Reduction Unit and Gender Unit, in their capacities as competent service providers, are being helped to incorporate gender-equitable and risk-informed concepts into development measures.
- The Global Programme Climate Risk Management is working closely with UNDRR (United Nations Office for Disaster Risk Reduction) to develop **action-oriented technical guidelines on comprehensive risk assessment and planning**. They are to be published in 2021 and applied in several countries.
- The **Climate Risk and Early Warning Systems (CREWS)** initiative supports risk reduction and preparedness with a focus on early warning systems (German support: 13 million euros). In **Burkina Faso**, for example, one million people are benefiting from strengthened government capacities to operate early warning services, which is allowing small-scale farmers to optimize their yields and improve their livelihoods.