MAKING EVERY DROP COUNT!

The importance of assessing the real cost of disasters

Stéphane Jacobzone
Public Governance Directorate, OECD

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Overall costs are increasing: Do we know where and why?

- Past decade: **USD 1.5 trillion in economic damages** from disasters
- A large mix, but water is a key driver of economic losses

**Economic losses due to disasters in OECD and BRIC countries, 1980-2012 (USD Billion)**

• Increase in economic damages believed to outpace national DRR investments... But where is the evidence?

• We need standardised information on DRM expenditure and disaster losses to:
  – Support the evaluation and prioritisation of DRR investments and assess the effectiveness of resilience measures.
  – Facilitate cross-country comparisons
  – Provide systematic indicators on global DRR objectives (Sendai Framework, SDG’s)
OECD collaborative project on assessing the real costs of disasters:

1. Review national and international efforts recording ex-post disaster losses:

2. Assess ongoing national efforts and propose draft framework for assessing public spending for DRM:

3. Multiple partnerships
   - Japan, MLIT JICE
   - UNISDR, OEIWG
   - EU / JRC
   - Placard, UN, WB experts
Key findings

– Significant progress in accounting for social losses (fatalities)...
– but estimates of economic losses remain inconsistent
– Integrated political responsibility comes with more integrated information repositories
– Water is the risk for which there is most economic data available
– International agreements (Sendai) offer aspirational frameworks
– The price of political and administrative fragmentation: few multihazard databases.
– Option to build observatories and leverage partnership with the private sector.
– Most countries report only direct damages, although sometimes estimations on indirect losses are made for large-scale disasters.
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<thead>
<tr>
<th>Country</th>
<th>Host institution</th>
<th>Hazards</th>
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<tbody>
<tr>
<td>Australia</td>
<td>No centralized national repository, but various comprehensive databases</td>
<td>Natural</td>
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<tr>
<td>Austria</td>
<td>No centralized national repository, but sectoral repositories for different ministries</td>
<td>Natural</td>
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<tr>
<td>Canada</td>
<td>Public Safety Canada</td>
<td>Natural &amp; man-made</td>
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<td>Colombia</td>
<td>Unidad Nacional para la Gestión del Riesgo de Desastres</td>
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<td>Costa Rica</td>
<td>Ministry of Economic Policy and National Planning (MIDEPLAN)</td>
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<td>Finland</td>
<td>No centralized national repository, but sectoral repositories for different ministries</td>
<td>Natural &amp; man-made</td>
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<td>France</td>
<td>Observatoire national des risques naturels</td>
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<td>Japan</td>
<td>No centralised national repository, but sectoral repositories for different ministries</td>
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<td>Mexico</td>
<td>National Disaster Prevention Centre (CENAPRED)</td>
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<td>Poland</td>
<td>Ministry of the Interior and Administration</td>
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<td>Slovak Republic</td>
<td>Ministry of Interior and Ministry of the Environment</td>
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<td>Slovenia</td>
<td>Administration for Civil Protection and Disaster Relief, Ministry of Defence</td>
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<td>Sweden</td>
<td>Swedish Civil Contingencies</td>
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<td>Switzerland</td>
<td>No centralized national repository, but sectoral repositories for different ministries</td>
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<td>Turkey</td>
<td>Disaster and Emergency Management Authority</td>
<td>Natural &amp; man-made</td>
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Source: 2016 OECD survey;
A lack of a common language and comparability remains limited

Thresholds for collecting disaster impact data

Distinction between publicly and privately accrued damages

Are direct and indirect losses separately accounted?

→ Disaster loss data collection lacks common language

→ Aggregated disaster loss figures hide the distributional impacts of disasters, hampering effective disaster risk reduction strategies

Source: 2016 OECD survey; 17 country responses
Improving disaster loss and damage assessments: the value of public private partnerships

Sharing data collected by non-government agencies

→ Data on insured losses often more comprehensive, systematically recorded
→ Can provide a basis for estimating overall economic losses
→ Public-private partnerships as an innovative way to improve information sharing between public authorities and private organisations

Example: National Observatory of Natural Risks (ONRN)
… policy makers rely on an incomplete picture of their country’s spending on disaster risk management

- Available data focuses predominantly on specific spending categories & central government spending
- Disaster risk management expenditure not always earmarked in public accounts/ budgets
- Embedded disaster risk management expenditure across many government sectors

Source: 2016 OECD survey; 17 country responses
Assessing public (and private) expenditure for DRM: the need for increased comparability

- Reviews that exist are result of specific project to retrieve DRM expenditure information from national accounts and sectoral budgets.
- Usually one-off efforts (although some include historical data).
- Some focus on distinguishing expenditure along the DRM cycle (e.g. preparedness vs. response spending), others gather information on specific hazards.
- Objective is to find a way to obtain such information from governments in a comparative way on a continuous basis.
CONCLUSION

AN UNFINISHED AGENDA

WATER IS ONE OF THE AREAS WITH GREATEST NEEDS

Thank you

stephane.jacobzone@oecd.org

High Level Risk Forum