

## **Interactive Discussion: Reducing Economic Losses Caused by Disasters**

**To mark the International Day for Disaster Reduction**

**15 October 2018 - 10.00-13.00 hrs.**

**Palais des Nations, room IX**

**Ms. Isabelle Durant, DSG UNCTAD**

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**Ladies and Gentlemen,**

It is a pleasure to be with you this morning and contribute to this interactive discussion - jointly organized by UNISDR (UN International Strategy for Disaster Reduction), ITC and UNCTAD.

We come here today to mark the International day for Disaster Reduction, and together examine ways that we can reduce economic losses caused by disasters; however this is not an easy task!

UNCTAD is the UN entity that looks at the “integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and **sustainable development**”.

Our membership is global and developing countries, especially the most vulnerable among them - the least developed, land-locked and small island developing states - are very much at the heart of our mandate and of our work. We know as a fact that disasters, resulting from natural hazards and extreme events associated with climate change, can lead to significant economic losses and have major repercussion for global trade and for the sustainable development prospects of the most vulnerable countries.

With the adoption of the Sendai Framework and the Paris Agreement, the international community has strengthened its commitment to seriously address these threats.

And recent developments, unfortunately, have confirmed the urgent need to step up action. We have been witnessing an increasing number and severity of disasters triggering human and economic losses worldwide.

2017 will be remembered by the devastating impact of the hurricane season with two catastrophic Category 5 hurricanes – Irma and Maria – that caused havoc on the Caribbean, mostly small island developing states (SIDS).

In the Caribbean, thousands became homeless, and critical infrastructure for transport, in particular sea ports and coastal airports, water, health, tourism were devastated.

These disasters in Small island developing states tend to impact most of the population and the overall economy. For instance, the costs of the twenty-seventeen (2017) hurricane season are estimated to have exceeded the GDP for Dominica and the British Virgin Islands:

Dominica's total damages and losses from hurricane Maria alone are estimated at 224% of its GDP (US\$ 1.37 billion).

The summer of twenty-2018 was also marked by extreme weather, including record temperatures, heatwaves, droughts, wildfires and devastating rain.

**These catastrophes put renewed focus on the potential impacts that weather and climate-related extreme events may have on overall development and on the economy, including damages to agriculture assets, production facilities,**

transport hubs and key infrastructure, disruption in international trade and global supply chains.

Impacts might be felt in the financial, commercial and transport systems with potential knock-on effects in various regions due to interlinkages in our globalized world.

While absolute economic loss is concentrated in higher income countries, in relative terms it is a far greater problem for low-income countries.

A recent study indicates that, by the start of the 22<sup>nd</sup> century, global flood damages alone due to sea-level rise might amount to up to 2.8% of global GDP in the year two thousand-one hundred (2100).

UN Secretary-General António Guterres raised the alarm again last month in New York declaring that ‘we face a direct existential threat’: ‘Climate change is moving faster than we are’.

The UN Secretary General also appealed ‘for leadership — from politicians, from business and scientists, and from the public everywhere’ to accelerate our actions to address climate change. And, no need to say that another alarm was raised this week by IPCC.

UNCTAD is committed to this challenge. In fact, UNCTAD has been working, ‘ahead of the curve’, on the implications of climate change for maritime transportation, since 2008, with particular emphasis on impacts and adaptation needs of seaports and other coastal transport infrastructure.

Relevant work contributes directly to implementation of a number of Sustainable Development Goals and the Paris Agreement.

Most recently, UNCTAD’s relevant mandate was strengthened at our last Conference where governments asked us to continue our work in support of

sustainable transport, climate change adaptation and disaster risk reduction for transport infrastructure, services and operations.

With 80% of global trade carried by sea, international shipping and ports provide crucial linkages in global supply-chains and are essential for the ability of all countries to access global markets. Ports are likely to be affected directly and indirectly by climate changes, with broader implications for international trade and for the development of the most vulnerable nations.

Even a single extreme weather event alone can lead to significant economic losses — as demonstrated by hurricane Sandy, leading to a week-long shut-down of one of the larger US container ports and resulting in economic losses estimated at US\$ 30-50 billion (EQECAT Inc., 2012).

For SIDS - often particularly exposed and vulnerable to the impacts of climatic factors - ports and coastal airports are lifelines for external trade, food, energy and tourism.

Enhanced climate resilience and climate change adaptation for key coastal transport infrastructure is therefore critical for their overall sustainable development prospects.

Drawing on earlier work, UNCTAD has recently completed a project focusing on two Caribbean SIDS - Jamaica and Saint Lucia.

The particular exposure to climate variability and change of seaports and coastal airports with potential ramifications for trade has been highlighted in the context of this project.

The climate vulnerability assessment carried out on 8 seaports and coastal airports suggests severe climate change and variability impacts on coastal transport infrastructure and operations.

This UNCTAD-led project will be explained more in depth shortly by my colleague – Regina Asariotis.

Today, I am pleased to be part of this event to raise awareness on the need to substantially reduce the economic losses caused by disasters. I would like to seize the opportunity to thank our partners, UNISDR and ITC, for their dedicated efforts and work for this event. I would also like to convey my thanks to all speakers for taking the time to help us raise awareness on this important topic. I wish you all a fruitful discussion today!

Thank you.