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Mounting disaster losses - missed economic opportunities

**Panel intervention by Johan Schaar at the World Bank
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I would like to

First, give some background to the new Commission that I represent and that met for the first time last week,
Second, make two points or propositions with regard to climate change adaptation and disaster risk reduction, and
Third, come back to the Commission and present what it selected as its priority areas last week.

1. The Commission on Climate Change and Development would have been called the Commission on Climate Change Adaptation and Disaster Risk Reduction if it had not meant an impossible acronym. But the Swedish Government took this initiative a few months back because it felt that insufficient attention is given to these issues.

2. The outcome of the Bali conference meant a much stronger than before articulation of adaptation and disaster risk reduction, these are now clear building blocks in the Bali Action Plan. An achievement was also the agreement on the governing structure of the Adaptation Fund. But this is still not enough, more attention is needed to these areas, therefore the Swedish initiative to launch an international commission.

3. It is composed by 12 distinguished international personalities, chaired by my Minister for International Development Cooperation, among them two individuals who were on the panel on climate change that you listened to here yesterday, Sunita Narain and Jonathan Lash.

4. The Commission will deliver its report late spring next year, just before Sweden becomes the President of the European Union, which means that it will lead the EU during the climate negotiations in Copenhagen in December next year. This means that the Commission will function between Bali and Copenhagen and seek to bring Hyogo and Kyoto closer together.

5. Now two points on disaster risk reduction that I would like to make. First, the case for disaster risk reduction is being made more and more forcefully and more and more convincingly. But we often look at what needs to be addressed

in the form of the physical loss and damage caused by natural disasters. These physical losses we just saw addressed and restored in the impressive presentation by Eddy Purwanto from Aceh. The Indonesian Government and BRR deserve much respect for their achievements and leadership in this respect.

6. But the physical loss and damage assessment does not give the full picture, it only provides a snapshot. We need to take a longitudinal view, and follow the people affected by disaster during a long time. Because disasters set in motion a very strong social and economic dynamic that evolves over many years. There is a new research initiative by Dr Ian Christoplos and ProVention, to come back 10 years after major disasters and see what has happened to people, starting with Mitch in Central America and then Gujarat, Bam, the Turkish earthquakes, and ultimately the Indian Ocean tsunami of course.

7. The UNDP and its Human Development Report issued in November last year should be commended for having presented the human face and development impact of natural disasters, demonstrating how girls in India being affected by major disaster will grow up with reduced literacy rates, or children in Ethiopia affected by malnutrition that will have long-lasting impacts.

8. I happened to visit the library in this building yesterday and came across the latest issue of the journal Disasters. There was a study on students who had been affected by the Marmara earthquake in Turkey in 1999, and who still six years later had a lower quality of life index based on WHO methodology, a lower academic performance and more financial difficulties than other students, differences that were statistically significant still six years after the disaster!

9. This means that we must stay engaged long after the physical restoration of damage. I was involved in an initiative after the tsunami in Indonesia, Sri Lanka and the Maldives where we tried to follow the impact of the disaster on people in such a way that we would be able to adjust and design assistance to stay relevant. This is the approach we must take, we must stay engaged long after the disaster.

10. Now to my second point. In the climate change world we are increasingly talking about tipping points and non-linear developments. These are sudden changes in the earth's climate system that could have a dramatic impact. It is about melting polar ice caps, the Greenland summer ice that may suddenly be gone, or the release of methane from the Siberian peat that could lead to immediate impacts on global warming. These are dramatic and frightening prospects.

11. What we have seen so far in terms of resourcing adaptation and disaster risk reduction are linear developments, in spite of the dramatic situation we are facing. You heard the panel yesterday discuss the need for a fundamental transformation towards a low carbon and renewable energy economy. We need something similar in terms of attention to and resourcing of adaptation and disaster risk reduction.

We need a tipping point and non-linear developments - not the linear decline in ODA that we have seen during recent years. We need a strong collaborative effort between North and South to make that happen - let us seek a tipping point in the engagement for the poorest countries, let us see non-linear developments!

12. And we need political leadership. The strategic approach taken by the Bangladeshi government that we have heard about today and the leadership shown is an example to other countries.

13. Now let me end by coming back to the Commission on Climate Change and Development. As I mentioned it met for the first time last week in Stockholm and decided on what it will make its priorities. It decided on three sets or clusters of issues.

First, it will address financing and resourcing of climate change adaptation, with a number of subsets, let me mention one in particular. There is a problem of the many complex financing mechanisms defined under the climate convention process, and funding is also grossly insufficient. But there is an important difference between those mechanisms and when donors put money in trust funds under the World Bank or in other hands. There is governance - in the form of the Global Environment Facility Council or the Board of the Adaptation Fund just agreed in Bali. The worst affected countries are represented, that is not the case with the different trust funds. This is a very important distinction in an area so affected by distrust between the North and the South.

Second, the Commission decided to focus on the institutional architecture of adaptation, which is severely fragmented and where donors and actors seem to take initiatives disregarding commitments that they have made in terms of harmonization in the context of the Paris declaration. This is a significant problem.

And third, the Commission will focus on the human dimension of climate change. This also has subsets - social protection and risk transfer, food security, the dependence of the poor on ecosystem services, and their right to information. This is about something as simple as the access to information from met services on weather and climate variability without which people cannot make informed decisions on adaptation. This is their right, and it is dramatically absent particularly in Africa.

14. This, very briefly, is what the new Commission has decided to make its priorities on this very challenging and difficult agenda that we now have in front of us.

Thank you.