# ISSUE BASED COALITION ON CLIMATE CHANGE AND RESILIENCE



Multiple-hazards and systemic risk: Addressing climaterelated disasters in times of COVID-19



UNITED NATIONS DEVELOPMENT COORDINATION OFFICE



## Background

As the Global Risk Assessment Report (GAR2019) has highlighted, the nature and scale of risk has changed. In our increasingly complex inter-connected world risk has become systemic, challenging governance mechanisms of established risk management institutions and single-hazard approaches. As an example of the above, the systemic nature of the COVID-19 disaster and its unprecedented cascading effects has impacted all sectors and levels, in all countries of the Americas and the Caribbean region.

The current effort on fighting COVID-19 cannot conceal the fact that climatic and geological hazards affect Latin-America and the Caribbean every year. At a time when countries of the region are actively responding to the pandemic, they also need to prepare for and implement actions to mitigate the potential impacts of other recurrent hazards. For instance, countries like Guatemala and El Salvador have been recently hit by tropical storm Amanda and, as the Caribbean region faces its annual hurricane season, countries are enhancing climate-hazard preparedness. Many countries are bracing for a two-tier crisis as they grapple with complicated logistics, limited resources and scant supplies.

As we start to think in going back to a new normal, it is important that national governments and inter-governmental political and financial institutions consider the negative effects that the pandemic has on the vulnerability of populations and economic systems and their exposure to other latent and recurrent hazards.

This brief has been developed from inputs of the webinar <u>Multiple-hazards and systemic risk: Addressing climate-related</u> <u>disasters in times of COVID-19</u>, organized by UNDRR on May 25th. It focuses on how the region can respond and recover from COVID-19 while facing the threats of climate-related and other hazards. Thus, analyzing the challenges and offering policy guidance, this brief seeks to contribute to the thinking that could shape the recovery pathway. The region needs to adopt a broader and deeper understanding of systemic risks and their interaction with climate change, poverty, inequality and other structural challenges. This understanding shall lead to rethinking how we govern systemic risks.

## **Highlights**

Based on the discussion and presentations of the five panelists of the webinar, Allan Lavell (FLACSO, Costa Rica), Enrique Guevara Ortiz (CENAPRED, Mexico), Andria Grosvenor (CDEMA), Keith Nurse (Sir Arthur Lewis College, St. Lucia), Patricia Ghany and Melissa Pierre (AMCHAM, Trinidad & Tobago) and Raúl Salazar (UNDRR), and additional contributions from Rodney Martinez (WMO), here are some of the highlighted issues that countries in the region will need to reconsider while responding to climate related disasters in the face of COVID-19.

## Continuous uncertainty and multi hazard scenarios

The effects of COVID-19 exacerbate inequalities and entail social and economic impacts in countries that are already challenged by recurrent climate-related hazards. In the case of the Caribbean, one of the most disaster-prone zones in the world, the pandemic is posing the threat to erode the region's development gains of the last decade. It is estimated that the already fragile economies of the sub-region will contract by 6.2 percent. Fighting the pandemic happens at the same time the sub-region faces, most-likely, an above-normal hurricane season. Likewise, in Mexico, studies conducted by CENAPRED indicate that at critical health facilities responding to COVID-19 patients are located in earthquake and flooding-risk areas, which might also be hit by hurricanes and cyclones.

These examples show that COVID-19 has put the Latin American and the Caribbean region in a situation of heightened exposure and exacerbated vulnerabilities, increasing risk and uncertainty. The capacities of disaster management systems across the region to coordinate efforts in situations in which preparedness, response and recovery phases overlap has been varied. These different capacities influence response tradeoffs and preparedness decisions of countries. It is critical to take stock of these experiences and ensure the capacities are in place to address multi-hazard contexts.







## Re configuring risk governance

COVID-19 demonstrates the challenges and implications of failing to address systemic risks. As emphasized in the Sendai Framework for Disaster Risk Reduction 2015-2030, states must adopt a multisectoral approach to prepare and respond to disaster risks. Disaster risk reduction strategies need to integrate not only natural hazards but also anthropogenic and biological hazards and be based on the understanding of the complex nature of risks and its interdependencies. In this vein, systemic risk defies traditional risk management approaches that used to adopt a hazard-by-hazard perspective. Addressing the complexity and non-linear nature of systemic risks entails a holistic approach to hazard identification, risk assessment and risk management.

For instance, following this change of paradigm, CDEMA is striving to rapidly put the necessary buffers and mechanisms in place using a multidimensional approach in order to prepare and respond for the hurricane season. Its strategy focuses on enhancing economic opportunities, safeguarding infrastructure, supporting environmental protection and fostering recovery through multisectoral engagement. Disaster risk governance in the region requires a coordinated effort linking response institutions with social protection mechanisms and climate change adaptation and development strategies. Consequently, aiming at restructuring disaster risk governance, a concrete link with social protection and combating climate change must be prioritized.

## **Consider underlying causes of disasters**

COVID-19 has brought to the forefront gaps in the understanding of the underlying causes of disasters in Latin American and the Caribbean. In the Caribbean region, the effects of the pandemic and recovery scenarios cannot be fully analyzed without considering the structural problems of unemployment, increased poverty and inequality, aggravated by the continuous occurrence of climate-related events. In many cases, deleterious effects of disasters in Latin America & the Caribbean have been linked to corrupt practices.

Henceforth, evidence has shown that in countries with higher social investments, systemic risks, such as COVID-19, have had lower impacts, especially among the most vulnerable. Likewise, countries which are shifting their economies towards more sustainable practices linked to climate adaptation and the reduction of carbon emissions are better prepared to recover from climate-related disasters and reduce the exposure to climate related risks. In this sense, the current pandemic is teaching us that resilience must be measured by how countries protect their society and their environment. This is only possible when there is a strong understanding of the root causes of disasters.

## Integrate a systemic risk approach into recovery planning

While the crisis is and will remain fluid, recovery planning needs to initiate now and extend across all sectors. The systemic nature of the pandemic and the concurrent crises makes it indispensable to integrate a systemic risk lens into social and economic recovery plans. Disasters and development are intrinsically linked. In this sense, COVID-19 exposes unresolved structural challenges, including poverty, inequality and exclusion that exist in the region, translating into an imbalanced access to health care, economic opportunities and safety nets. Plans to address COVID-19 and its impacts must transcend the emergency to balance short and long-term measures. Recovery, thus, presents an opportunity to open a path to a safer and more sustainable future if these structural problems are addressed systemically with a view of the different dimensions of risk. A coherent response plan needs to be multi-dimensional and multi-sectorial.



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#### Engage key stakeholders and allow innovative solutions for building-back better & greener

The impacts of COVID-19, combined with a changing climate are deteriorating the region's economies. In the Caribbean, for instance, the pandemic is challenging the economies through the impact to the tourism sector - given the travel restrictions and border closures - and the reduction in remittances - as Diaspora communities have been impacted by loss of lives and livelihoods. Likewise, the performance of the private sector, specially of small and medium companies has declined, leaving thousands of employees without a stable source of income. Acknowledging these challenges is crucial to incorporate a whole-of-society approach to the response and recovery efforts. Engaging different stakeholders, such as the private sector as well as scientific and academic actors, can provide important resources (i.e. information, technology) to help countries make risk-informed decisions and adopt innovative and greener solutions.

Similarly, fighting climate change could provide a platform for alternative development models, facilitating trade in environmental goods, increasing investment in climate technology and reconfiguring some economic sectors, such as the tourism sector, to prioritize a higher value for the environment, the communities and businesses involved. Recovering from COVID-19 can be an opportunity for local and national governments, financial institutions and international agencies to promote risk-informed, greener and more sustainable investments.

#### **Recommendations**

In order to tackle the negative effects of the pandemic and reduce the impact of compounding climate-related hazards the following actions and recommendations are proposed:

- Promote a better understanding of the multidimensional nature of risk from a systemic perspective and integrate this approach in social and economic recovery strategies. National and local DRR strategies and plans should acknowledge the increasing complexity and interdependence of human, political, economic and natural systems.
- Engage key stakeholders, including the private sector and the science and technology community, to take part in the design, planning and implementation of recovery efforts, promoting an interdisciplinary, multi-dimensional and multisectoral approach.
- Ensure policy decisions are based on evidence. Information systems and technology can support the generation of data to strengthen planning, preparedness as well as to inform decisions related to basic infrastructure and healthcare services.
- Promote the coherence and articulation of risk reduction, climate and development agendas. Development can only be sustainable if it addresses risks. Put risk reduction and resilience-building at the heart of economic and social recovery, in order to address inequalities and vulnerabilities.
- Use the opportunity of COVID-19 to prioritize resilience-building and build back better and greener in the region. Such efforts can include the adoption of renewable greener energies and increased investment in climate smart technologies that are scale appropriate.
- Finally, strengthen international cooperation to transform learned lessons into effective mechanisms of regional collaboration in the face of systemic risks.







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