Climate change is a major driver of disaster losses and failed development. It amplifies risk and increases the intensity and frequency of natural hazards. It is changing the way we live, impacting the way societies function, in Europe and beyond.

In the European region since the 1980s climate extremes have caused nearly €500 billion in economic losses, according to the European Environment Agency. Forest fires, large scale floods, storms, heatwaves and scorching droughts are affecting large parts of Europe, exposing regions to hazards not traditionally prepared for such risk (e.g. forest fires in Northern Europe). Their frequency and scope is projected to increase, and will exceed current capabilities of individual Member States to save lives and limit economic damage. Projections indicate annual damages from coastal floods could be as high as €1 trillion per year, affecting over 3.5 million people. Drought-hit cropland could increase seven-fold, agricultural yields could decline by up to 20%, the land burnt by forest fires could double, and nearly one in two Europeans could be affected by water scarcity.

With current policies in place, average global temperatures are expected to reach between 2.9°C and 3.2°C by the end of the century. This would take future hazard extremes well outside the known range of current experience. This would also render current strategies for climate change and disaster risk reduction virtually obsolete. It also means that it is no longer sufficient to address resilience building in isolation from development planning, and that sustainable socioeconomic development, by definition, must include disaster risk reduction.

The future of Europe depends on how it manages the risk of climate extremes. The Green Deal should be instrumental to reduce risk and build resilience, by giving the political and legislative momentum to disaster risk reduction and climate change adaptation needed at European level.
SHIFTING THE APPROACH FROM REACTION TO PREVENTION

For every 1 euro invested in the reduction of risk, up to 7 euros are saved in disaster-response efforts. The current approach on risk management continues to be reactive, focusing on emergency response rather than prevention and risk reduction. Investing in disaster risk reduction is thus a precondition for developing sustainably in a changing climate. According to a recent report by the Global Commission on Adaptation, investing €1.6 trillion globally from 2020 to 2030 in risk reduction activities could avoid as much as €6.4 trillion in future losses. Such an annual investment in disaster risk reduction represents only 0.1 per cent of the trillions that will have to be invested in the next 10 years.

CREATING COHERENCE IN POLICIES, FINANCING AND IMPLEMENTATION

Disaster risk reduction and climate change are issues affecting many sectors; isolated action is rarely successful, and real coherence can take place only if silos are broken at the level where decision and implementation occurs. It is critically important to mainstream disaster risk across all EU policies, and ensure that all EU policies are risk informed. An integrated approach to disaster risk reduction and tackling climate change begins by aligning strategies, funds and policies both at European and member state level.
INVESTING IN RESILIENT INFRASTRUCTURE

An estimated €80 trillion will be invested in infrastructure globally by 2030. This is an opportunity for Europe to avoid the creation of new risk and to adapt to extreme weather events. The Green Deal should implement measures to improve the impact and sustainability of all infrastructure investments. All European financial instruments should undergo a robust screening process to ensure that investments are resilient to future disaster and climate risk.

ADDRESSING THE MISPRICING OF RISK

As a single and connected market, investment tends to flow to locations that offer comparative advantages, including low labour costs, access to export markets, infrastructure and stability. However, investment decisions rarely take into account the level of exposure in those locations, and opportunities for short-term profits continue to outweigh concerns about future sustainability. As a consequence, large volumes of private capital continue to flow into hazard-prone areas, leading to significant increases in the value of exposed economic assets. There is a need to explicitly require institutional investors and asset managers, as well as company directors, to integrate disaster risk reduction, climate change adaptation and resilience into their decisions.

Most disasters that could occur haven’t happened yet. The European Green Deal provides an opportunity to prevent creation of risk and avoid possible disasters.

FOSTERING LOCALIZED DISAGGREGATED DATA

Decisions made at local level and in cities to address climate change and build resilience require robust data and statistics that are timely, accurate, disaggregated, people-centered and accessible. However, most data at the local level, particularly as it relates to climate systems, is fragmented and insufficient, and does not allow for proper accounting of investments that may be at risk. The collection of disaster loss data should be prioritized, and this evidence should be integrated into planning and investment decisions.
The UN Office for Disaster Risk Reduction (UNDRR) works towards the substantial reduction of disaster risk and losses to ensure a sustainable future.

UNDRR is the focal point of the United Nations system for disaster risk reduction and the custodian of the Sendai Framework, supporting countries and societies in its implementation, monitoring and review of progress.

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