

Press release

Capital markets Union, sustainable finance and disaster risk reduction are all strongly connected: Europe is highly exposed to catastrophic risks but opportunities are being created for enabling a change of gear

Brussels, 27 February 2018 – Disaster Risk Reduction is a key component of sustainable finance and needs to be urgently addressed– this was one of key messages stressed at a major event in the European Parliament on 27 February organized by UNISDR (the UN Office of the United Nations for Disaster Risk Reduction) and FeBAF (Italian Banking Insurance and Finance Federation).

The event, entitled Resilience to Disasters, Capital Markets Union, and Sustainable Finance: Leveraging Partnership and Protecting Citizens, European Growth and Jobs - discussed how Europe is vulnerable to disaster risks and discussed concrete solutions to overcome these challenges.

Mairead McGuinness, Vice President of the European Parliament, opened the event underlining that “this is really about prevention: being prepared in the future to avoid the worst impacts”.

Paola Albrito, Chief of the Regional Office for Europe at UNISDR explained how disaster risk reduction is important for achieving economic growth and sustainable development. The cost of disasters worldwide has reached an average of \$250 billion to \$300 billion every year and together with the indirect costs of disasters, cascading and global effects, these lead to unsustainable losses on the economy.” In Europe losses from weather related events have almost doubled from an average of €7.5 billion in 1980-1989 to an average of €13.3 billion in 2010-2016.

However, there is a positive momentum for change. “As Europe has increased its awareness of these societal costs, opportunities are being created for enabling a change of gear and a more effective approach to the issue” , stated **Paolo Garonna**, FeBAF’s Secretary General at the conference. “This is the case for strengthening Capital Markets Union and financial integration in a changing environment, calling for disaster risk-proofed investments and more sustainable growth” , he added.

Johannes Luchner, Director, Emergency Management, DG ECHO, agreed adding, “We can do better on investing in prevention and because it pays off. It can drive innovation, and drive growth and jobs in a long term perspective.”

Ugo Bassi, Director, Financial Markets, DG FISMA, outlined how the European Commission saw the sustainable finance agenda as one of the most important topics. They working on how to best support the financial sector to attain sustainable financial stability.

Constance Kann (Director, International Relations and Public Affairs, European Investment Bank), detailed how DRR is an important financing area for the EIB and that it is inspired by the Sendai Framework and Sustainable Development Goals

The importance of public private partnerships was re-iterated by Pietro Negri (CSR Manager and Senior legal counsel, Italian Association of Insurance Companies - ANIA), as well as the need to take a multi-stakeholder approach.

The event, hosted by Member of European Parliament Molly Scott Cato, concluded that disaster risk reduction and especially avoiding building in future risk was essential to the EU sustainable finance developments. It comes down to avoiding stranded assets.