









# Disaster impact, Financing and Statistics

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## Introduction

- Disasters caused by natural and man-made hazards have a significant impact on societies and economies worldwide.
- In the last two decades, 62 million people were Directly affected by disasters in countries without an operating early warning system (2023 Global Assessment Report on Disaster Risk Reduction).
- The frequency of disasters is increasing, and developing countries face higher risks.
- The number of People exposed to extreme weather events (flood, drought, cyclone, or heatwave) an increase from 4 billion in 2010 to 4.5 billion in 2019 (World Bank: Policy Research Working Paper 2023).
- Mis-and disinformation is perceived as the greatest short-term risk the world faces, followed by extreme weather event (Global Risks Report 2025).
- The ability to understand, monitor, and respond to these events is crucial for effective DRM and mitigation efforts.
- Disaster-related statistics plays an important role in informing decision-making, formulating policies, and allocating resources for disaster prevention, preparedness and response.

Hazard and Disasters in Ethiopia



Afar Region, Dulech Wereda, Dofan Mountain- Volcano

- The roads are damaged.
- Around 16 schools destroyed, 21 damaged
- Kesem Sugar Factory damaged and all employees(Around 4,000) forced to flee, leaving them displaced.

### Cont...



- More than 230 people have reportedly died and more than 14,000 affected by landslide incidents on 21 and 22 July 2024 in Gofa Zone, South Ethiopia;



- Over the past three years, 3.3 million livestock have perished, approximately worth 3.3 billion birr due to climate-related humanitarian crises happened for three (2021-2023) Years in Borena, Oromia Region.

## Disaster Impact and Fiscal Risk

Disaster risk Hazard, vulnerability, exposure

Key
Disaster impacts
Fiscal risks

#### Disaster response

Physical impact

Destruction of physical assets

Reconstruction costs

Social impact
Forced migration, poverty, food security

Humanitarian assistance, social services

#### Economic disruption

Contingent liabilities SOE cash flow, PPP delays

SOE guarantees, PPP contractual obligations

Sectoral output
Business and supply chain disruption

Reduced tax revenue base

#### Macroeconomic impacts

Reduced GDP

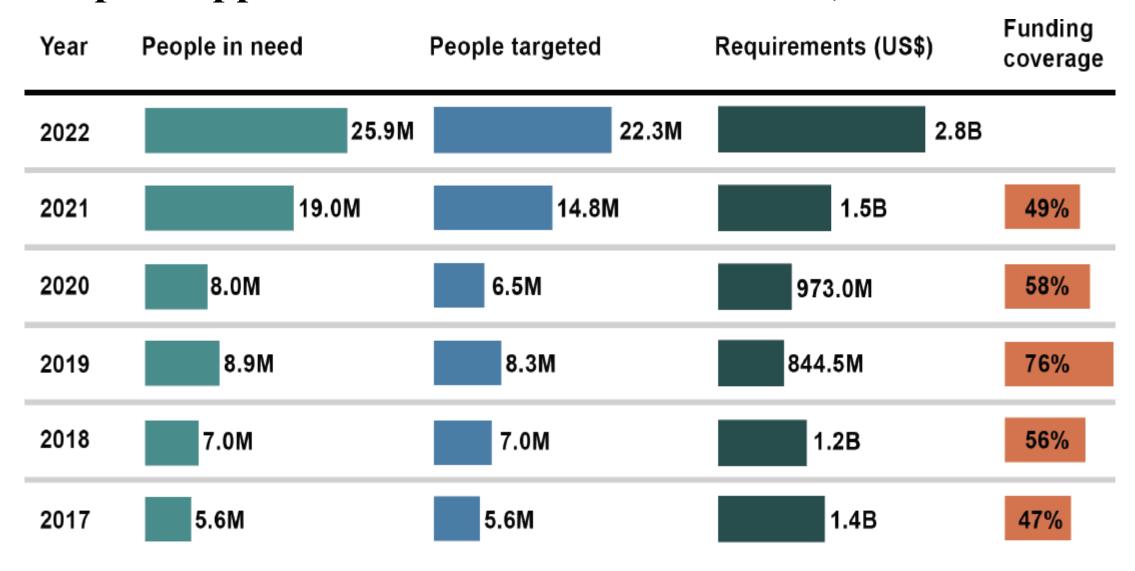
Investment

Trade balance

#### Fiscal health indicators

Source: Vivid Economics

## Ethiopia's appeals for international assistance, 2017–2022



Source: OCHA 2022c. of Ethiopian Climate and disaster risk Finance diagnostic 2022

# Disaster Risk Financing methods and instruments

DRF instrument: EX-ante, Ex-post and Risk Transfer



- Contingency budget
- Budget reallocations
- Risk transfer instruments
- \*Establishment and administration of the Green Legacy initiative and degraded land rehabilitation special fund Proclamation 1361/2017

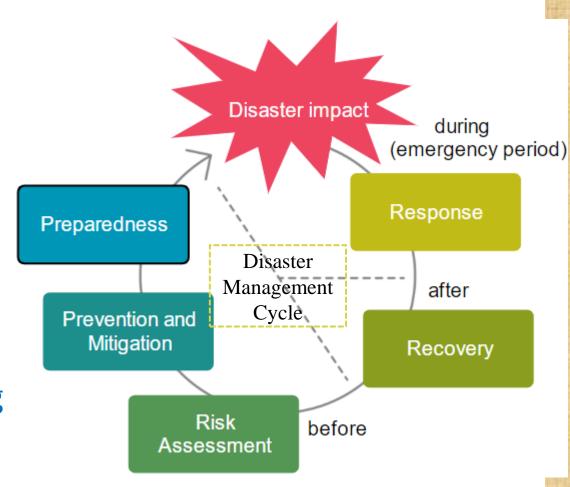
- External grants from development partners: Example
  - Bilateral (Denmark, Norway, UK, Austria)
  - Multilateral Climate Finance (GCF, Adaptation Fund)
  - International Development Finance (World Bank) and
  - international organization (EU and UNDP)

## Disaster related statistics

- \* Standardized, high quality, integrated statistics is a high demand at the local, national and international levels to inform all phases of the disaster risk management cycle.
- Furthermore, disaster related data used for:
- Resource allocation: COP27 (L&D Fund)
- To prepare the NDC (UNFCCC)
- Research institutions and policy analysts

Various literatures shows an Average return of \$32 for every \$1 invested in strengthening data systems

Data is the new gold



# Challenges

- ■Lack of harmonized disaster related Statistics
- ■Miss information (over and/ or under estimation)
- Lack of capacity to interpret information
- Absence of alignment of Disaster action (**CCA & DRR**) with development plan and budgeting
- ■Lack of resource tracking system
- ■Poor coordination (Vertically and Horizontally)
- Lack of actionable commitments and Agreements
- ■Unclear threshold, disaggregation and standardization,
- ■Lack of data sharing mechanism



## Opportunities: Frameworks, Agreements, Strategies and Policies

#### Regional and Global

- Sendai Framework for Disaster Risk Reduction 2015-2030
- 2030 Agenda for Sustainable development
- Paris Agreement- UNFCCC
- Agenda 2063: The Africa We Want
- African Union Green Recovery Action Plan 2021-2027
- African Union Climate Change and Resilient Development Strategy and Action Plan (2022-2032)

#### Local

- Climate resilient green economy (CRGE) strategy
- ◆National Adaptation Plan
- Nationally Determined Contribution (NDC)
- ◆Long-term Low Emission and climate resilient development strategy (2020-2050)
- ◆Guidelines for quantifying disaster-related fiscal risks
- ◆Disaster risk management (DRM) policy
- ◆Disaster risk management financing strategy (2023–2030)

# Policy Recommendation

- Integrated DRR with budgeting, and planning.
- Promoting Disaster related statistics both from national potentials, and international cooperation's
- All those disaster related financing data should be integrated with national statistical systems
- Capacity Building
- Data sharing regulation (mechanism)
- Engage new technologies (Server, gadgets)
- Engaging and coordination among lead agencies including government and private sectors

