



# GOVERNANCE OF CRITICAL RISKS

*How are countries making progress to invest  
in a safer future?*

**7th OECD Parliamentary days**

*Stephane Jacobzone*



# Significant threats remain in OECD countries

## Economic vulnerability is on the rise

Tsunamis, Hurricanes, Climate related risks, Man made events, new diseases.....

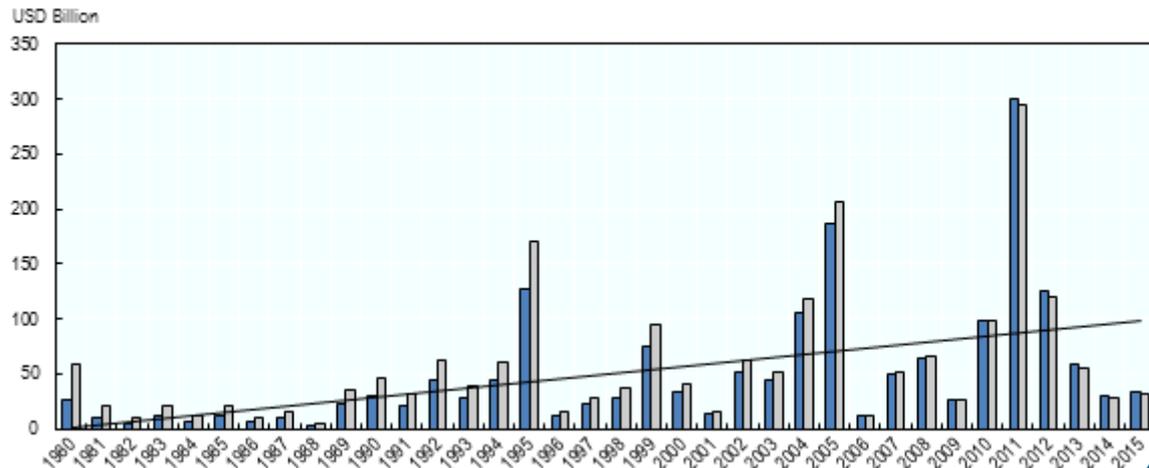


September 11, 2001

Photo © 2001 Bill Rogert



■ Nominal total damages    □ Real total damages (2010 reference year)    — Linear (Nominal total damages)



- Average losses 0.1 % GDP
- 1 % high impact countries
- 20 % for major events
- Huge local impact
- Fewer lives lost in OECD countries



# What can countries do ?

*Invest in better risk governance !*

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- **Major events test national leadership:**  
High Citizen expectations, Impact on stability and trust in public institutions
- **Invest along the Risk management cycle**

- ✓ **Strategies**
- ✓ **Institutions**
- ✓ **Practices**







# Implementation remains patchy!

## Progress is real, but remains uneven

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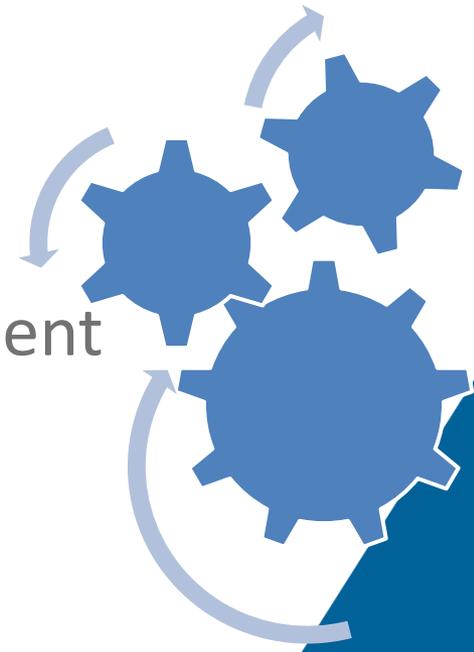
Nearly all countries have national strategies and institutional leadership

However,

- Less than half of them set priorities and allocate resources
- Just a third set performance targets

Countries engage with experts and government officials,

But less with the public !





# Assessing risks

## How do countries anticipate the future?

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*22 countries have horizon scanning mechanisms*

*But only over half have elements of a National Risk Assessment*

*The role of critical infrastructure systems:*

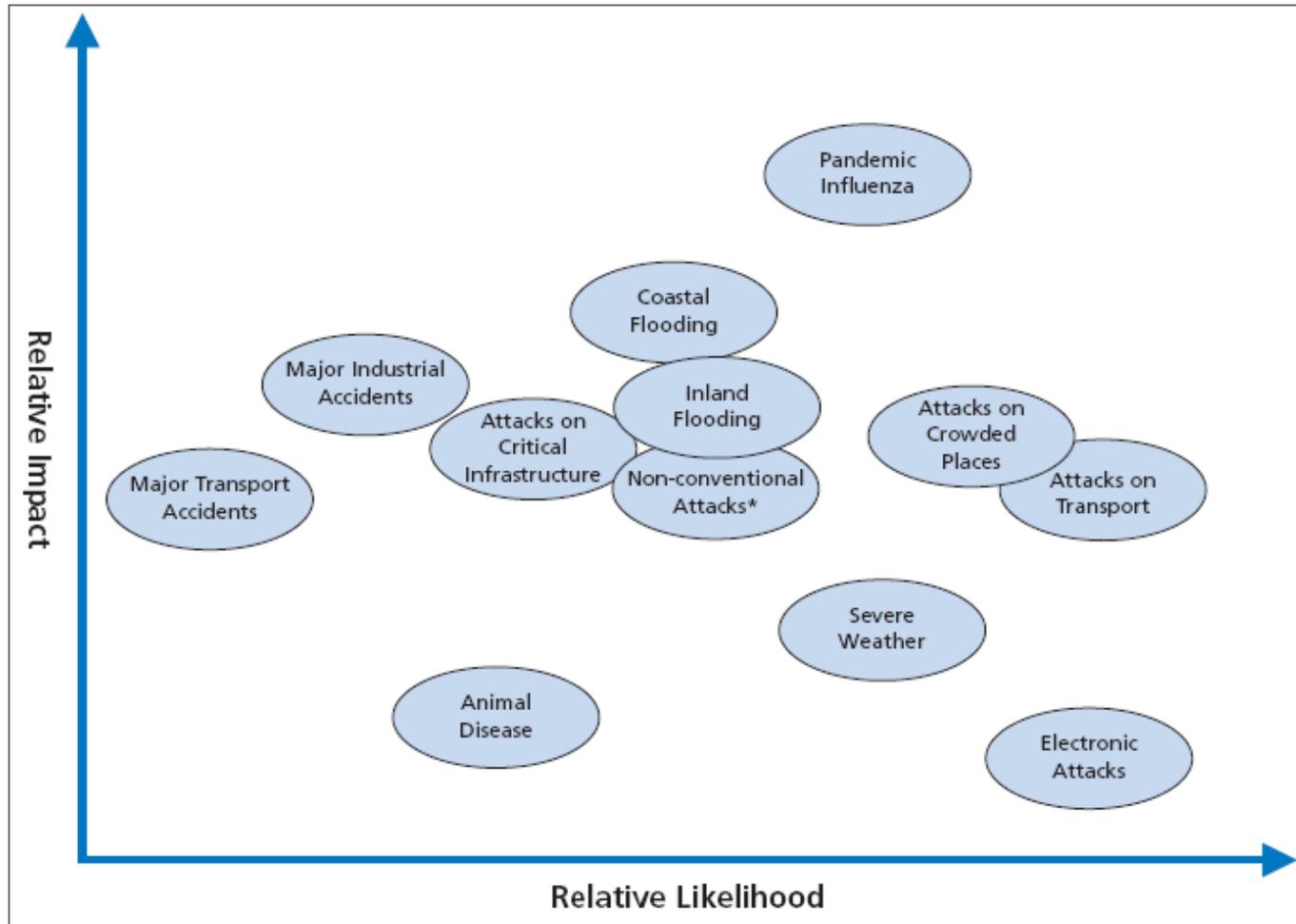
- *Identification*
- *Comprehensive assessment of resilience*

*Measurement of losses remains patchy, at best !*

*Need to address potential fiscal risks related to disasters*



# National Risk Assessment, a key tool for capability-based planning



**Out-of-the-box thinking**



# Informing the public

## Investing in the right kind of prevention

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### **Mobilising citizens is key for success:**

*Government has the lead, but does it listen to citizens' voices ?  
2 Way communication works best but is practiced by only two thirds of countries!*



### **Preventing and reducing risks:**

**Going for structural or non structural measures ?**

*Non structural is favoured, but are  
hazard zoning and land use planning truly integrated ?*

*Less than half of the countries declare increasing investment  
in protective infrastructure,*

*Relocation is mentioned by less than a third*



## Facing crises

### What tools are countries using ?

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- ✓ Many countries have revised their crisis management frameworks following disasters
- ✓ Standard operating procedures: fundamental, but may not be enough to manage **black swan** events .
- ✓ Need to invest in leadership: good practices on how to invest in “*meaning making*” and “*sense making*”  
DK, UK and Switzerland
- ✓ Need to train and invest in people: Germany, France, NL

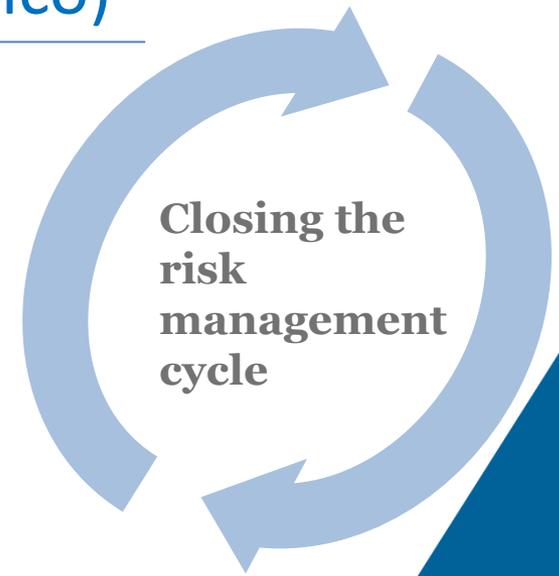
# Demonstrating transparency / accountability

## Drawing lessons from experience

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- ✓ Nearly all countries make information available to the public on their exposure to natural hazards
  - ✓ Risk information to critical infrastructure operators is less common.
  - ✓ Need to engage with the public: risk assessment, risk management options, Open Data (Mexico)
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- Nearly all countries conduct post disaster policy assessments,
- But few are able to show how the results were used to revise risk management policies





# CONCLUSION : An unfinished agenda

## Governance gaps remain

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### Key questions:

- Effectiveness of public policies and capacity for policy implementation
- Risk governance cuts across administrative and territorial borders
- Pockets of vulnerability remain in exposed areas
- Partnerships with civil society and private sector are essential
- Need to focus on critical infrastructure

### Role of Parliaments

- Engaging with the public
- Drawing lessons from experience to update policies

