

# RISK-INFORMED DEVELOPMENT



Risk-Informed Development is not a new concept. It dates back to the 1990s [International Decade for Natural Disaster Reduction](#) (IDNDR) and received renewed recognition in the 2015 [Sendai Framework for Disaster Risk Reduction](#), the [Paris Agreement on Climate Change](#), the [Agenda 2030](#), and the [Secretary-General's Prevention Agenda](#). Also UNDP's [2022-2025 Strategic Plan](#) acknowledges risk and the need for risk-informed development.

What's changed in the current day, however, is the recognition that disasters, conflict and other crises are the result of similar underlying causes and multiple vulnerabilities. The rapidly changing climate and growing exposure to varied types of risk threaten to undermine the achievement of the Sustainable Development Goals (SDGs), as well as national development objectives. Among the hardest hit are the world's most vulnerable, a group which is growing due to several socio-economic and political factors.

Despite advances in reducing disaster mortality, direct economic losses from disasters have risen by 68% between the two 20-year periods of 1978-1997 and 1998-2017. Violent conflicts have become more complex and protracted, sparked by a breakdown in the social contract between governments and citizens. The 2008 global economic crisis, the 2014 Ebola outbreak, the 2015 Syrian refugee crisis, and most recently the COVID-19 Pandemic are stark reminders of the importance of understanding and addressing risk in the development process.

## ***The Characteristics of Systemic Risk***

Risk has become increasingly systemic and multi-dimensional, therefore, integrating risk reduction into development will need to consider multiple and intersecting threats. Risks associated with natural hazards are often overlaid by epidemics, conflict, or economic shocks which can interact and manifest as crises with cascading effects across sectors. At the same time, conflict increases people's core vulnerability, removing existing coping mechanisms and leaving them less able to handle disasters. This systemic nature of risk is not often considered or understood.

While hazards and threats can undermine development



*Youth4Climate activists, holding placards for the 17 SDGs. Photo: UNDP/Peru*

achievements; also decisions on development trajectories and investments can generate risks. This is the case when risks accumulate in urban areas due to rapid and unplanned developments; when excessive strain is placed on natural resources and ecosystems; or when social inequalities for some population groups are exacerbated, often resulting in conflict. Risk-informed development looks at this two-way relationship and requires transforming the development agenda from within. It, therefore, needs to be led by development actors and cannot be achieved by treating risk merely as an add-on in a silo.

## ***UNDP's Approach and Comparative Advantage***

Against the above backdrop, building the resilience of societies, systems and development assets through a risk-informed development approach that embraces multiple types of risks is a logic and important course of action for a development organization such as UNDP. UNDP has been at the forefront of risk-informed development since over two decades. It's an approach that originated in the field of disaster risk reduction, then expanded in recent years to embrace climate change related risks, and now will also comprise biological hazards, conflict, fragility, economic shocks and other shocks and stressors. This approach contributes to the overall objective of sustainable development,

For more information: [undp.org/expertise](https://undp.org/expertise)

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and is fundamental for accelerating the three directions of systemic change which UNDP intends to support under its new Strategic Plan: building resilience, leaving no one behind, and transforming structures. The approach is also aligned with related UNDP offers emerging within its Global Policy Network and Regional Bureaux, such as the Framework for Development Solutions for Crisis and Fragile Contexts, the Offer on Development Pathways to Conflict Prevention and Peacebuilding, the Reimagining Governance Offer, Resilient Recovery and Urban Resilience Offers, amongst others.

UNDP's approach to risk-informed development is an organization-wide effort that is deeply rooted in risk governance, systems thinking, area-based approaches, agile and dynamic processes, risk management and context-specific solutions. It results in reduced levels of vulnerability and hazard exposure, and thus contributes to prevention and resilience-building.

### **Country Examples**

#### **Dominica's National Resilience Development Strategy 2030**

This strategy is a national multi-sectoral policy document that outlines the priorities that Government will pursue in the pursuit of sustainable economic growth in the face of global realities. It explicitly incorporates the notion of systemic risk and that climate change will affect many different economic sectors. It also recognizes that the country's social and economic systems will play an important role in determining their resilience. Addressing climate change impacts in isolation is therefore considered unlikely to achieve the desired development outcomes.

#### **Reviving the Aral Sea Region**

The Aral Sea used to be the source of life and livelihoods to millions of people. But due to mismanaged irrigation, large-scale cotton production and rising temperatures, the lake has shrunk to only ten percent of its original size, causing major challenges: fishing ports and farming lands are dry, drinking water is scarce, and dust and salt from the exposed seabed have increased the region's mortality rate. UNDP is supporting Uzbekistan to turn the region into a "zone of environmental innovations and technology" and uncover key barriers to systemic change, ensuring sustainable livelihoods.

#### **From climate change to systems change in the Pacific**

Through the UNDP Governance for Resilient Development (Gov4Res) project, UNDP is designing an approach to influence UNDP is designing an approach to influence climate and development financing to achieve more effective outcomes from

climate-related investments in the region. It does this through a systems-lens, by targeting multiple layers or "entry points" of a country that have the potential to collectively transform an entire system to address the core drivers of vulnerability to risks.

### ***Five strategic entry points for risk-informed development***

#### ***1. Supporting the evidence base***

- Assessment & Analysis: Apply and adapt range of methodologies in the toolbox of practitioners.
- Research & local knowledge: Support for innovative, interdisciplinary and applied research.
- M&E/compliance: Support for RID impact monitoring through diagnostics and results frameworks.

#### ***2. Supporting risk-informed policy***

- Policy coherence: Foster co-benefits and no-regrets solutions to address multi-dimensional and systemic risks.
- Visioning: Support long-term collective goal setting, foresight and prioritization, managing policy trade-offs.
- Leadership: Foster national and local leadership and advocacy for a multi-risk approach to RID.

#### ***3. Supporting risk-informed implementation***

- Capacity development: Support adaptive risk governance, scenario planning, stress testing and diagnostic tools.
- Projects: Foster a portfolio approach through short/medium/long-term interventions.
- Coordination: Support broad-range institutions on development planning and finance.

#### ***4. Ensuring RID is people-centered***

- Leave No One Behind: Ensure the most vulnerable and at-risk populations have agency in the RID process and benefit.
- Political economy analysis: Understand interests and motives of stakeholder groups that influence investments.
- Multi-stakeholder coalitions: Facilitate civil dialogues to generate RID ownership supported by local governments.

#### ***5. Fostering sustainable financing***

- Assessment & Analysis: Integrated National Financing Frameworks; economic modelling; cost-benefit analysis.
- Resource mobilization: RID financing solutions that blend public, private, domestic and international resources.
- Risk-financing & transfers: Risk pooling; social protection

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