

Boosting Financial Protection Against Natural

Disasters is Critical for Economies in Central Asia

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ALMATY, February 26, 2019 – The economies of Central Asia must significantly increase financial protection against natural disasters and consolidate efforts to effectively manage disaster risks, said experts at a Regional Forum on Disaster Risk Financing in Almaty today.

Policymakers and disaster risk management experts from five Central Asian countries discussed ways to improve financial protection, including which financing instruments to use, in the context of rising challenges brought about by climate change.

Central Asia is among the world's most disaster-prone regions. Earthquakes, floods, landslides, extreme weather events and other natural disasters occur almost every year across the region.

In the past three decades, natural disasters have affected over 10 million people throughout the region and caused economic losses of almost \$2.5 billion.

Earthquakes, which have the potential to cause the most damage, impact 2% of the region's GDP every year, while floods impact 1.6%.

The agriculture sector, which employs one-third of Central Asia's population, is highly vulnerable to natural disasters such as flooding or drought. During 2000-2001, a regional drought caused losses of more than \$800 million in agricultural production, with severe consequences for people, especially in rural communities.

“Almost every year, natural disasters affect economies and people’s livelihoods throughout the region,” said **Ato Brown, World Bank Country Manager for Kazakhstan**. “Recognizing that disasters are a major burden on their budgets, Central Asian countries are increasingly interested in financial protection. At this Forum, we examine ways to decrease the financial burden, while also ensuring complete recovery in people’s livelihoods after natural disasters.”

Participants at the Forum heard about the experiences of countries from other parts of the world, including Mexico, Kenya, India, and Turkey, which have made important progress in ensuring financial protection against natural disasters.

“Disasters in Central Asia know no borders,” said **Valery Petrov, Director of the Center of Emergency Situations and Disaster Risk Reduction in Almaty**. “And major disasters could be a threat to the entire Central Asia region. Therefore, regional collaboration in this area is critically important.”

Speaking at the Forum, Ede Jorge Ijjasz-Vasquez, Senior Director for Urban, Rural and Social Development at the World Bank, commended the efforts of Central Asian countries in advancing the disaster resilience agenda, while noting that there are opportunities to scale-up these efforts going forward.

Attended by more than 80 participants from Central Asia and beyond, the Forum was organized as part of the World Bank’s efforts to support disaster risk management, including financial protection, in Central Asia. To date, the World Bank has invested over \$100 million in projects and technical assistance across the region.