

PANEL DISCUSSION:
**“Regional cooperation in disaster financial risk sharing
in the context of SEE2030 Strategy”**
2 April 2025, UN Office in Geneva
(RCC side event on the margins of 2025 RFSD for the UNECE Region)

Opening Remarks by Mr. Amer KAPETANOVIC, Secretary General of the RCC

Dear Mr. Borbely,

Distinguished representatives of delegations at the Regional Forum on
Sustainable Development,

Esteemed speakers at this panel discussion,

Ladies and gentlemen,

- It is both a privilege and a great pleasure to address you today, at this very important **side event dedicated to disaster financial risk sharing in the context of SEE 2030 Strategy**, organised by the Regional Cooperation Council (RCC).
- Let me begin by **extending my deepest gratitude to Ankara, Athens and Bucharest for their invaluable support in organising this event today in Geneva**, in parallel with the extremely important discussions and exchanges that are going on during these two days on the margins of 2025 Regional Forum on Sustainable Development for the UNECE region.
- This gathering today as well as its topic related to disaster financial risk sharing are **very timely, having in mind that natural or (hu)man-made disasters have, unfortunately, become part of our everyday lives in SEE and beyond**. We are also witnessing more and more that the situation is similar in the entire Europe and worldwide.

- However, despite our region's vulnerability to natural disasters, **the latest data from the RCC Public Opinion Survey on Security, RCC SecuriMeter, reveal that less than 12% of the households in the Western Balkans region bought a disaster insurance policy for coverage against fire, floods, earthquake, etc.** This data does not show the insured value of property and it is only based on self-declarations of the respondents. Despite this low uptake, risk of catastrophes has been increasing in the entire Europe including its south-eastern part. Therefore, low insurance coverage leaves a huge portion of the population financially exposed to natural disasters, potentially overwhelming state resources in times of crisis.

NOTE: People rely on their government post-disaster compensation schemes, which are rudimentary, limited and fiscally unsustainable. Without proper and extensive risk sharing, financially disastrous damages widen poverty and push people out of the disaster struck regions due to the poverty and destruction of livelihood.

- Besides that, damage recovery schemes of our economies financed by public resources mainly aim to compensate the emergency humanitarian aspects. Unfortunately, there is no economy that may compensate all the post-disaster damage. We should not shy away to confess that **socioeconomic cost of disasters deepens vulnerabilities, social inequalities, push people below the poverty, and drive them to emigrate, and none of the economies may have financial capabilities to compensate if we primarily focus on post-disaster response capabilities.**
- **It is not only the households and physical infrastructures with low insurance coverage that may cause poverty and deepen vulnerabilities. It is the agriculture sector too.** Weak or no risk sharing in the agricultural sector would not only put the farmers under a huge financial risk but the destruction of uninsured crops or husbandry in case of extreme weather events **would significantly undermine the whole food security.**

- **The economic cost of natural disasters in SEE is substantial.** The world's top reinsurance agencies¹ estimate that the cost of losses from natural disasters in Europe (including all economies of South East Europe) **reached €77bn.**

***NOTE:** This includes **direct costs** such as damage to infrastructure, property, and agricultural land, as well as **indirect costs** like business disruptions and reduced tourism revenues.*

- For example, the 2023 floods in Europe, which were particularly impactful **along the Adriatic coast of South East Europe, alone amounted to US\$ 17bn of damages, of which only US\$ 2bn was insured.**
- According to the European Insurance and Occupational Pensions Authority (EIOPA) whose representative is among our panellists here today, there is a **significant protection gap for natural disasters in the European Economic Area**, where only a **quarter** of the losses are insured.

***NOTE:** I am glad that we have an EIOPA representative in the panel. This gives us a chance to learn from their experiences and be directly informed on the way they are preparing to cope with these challenges.*

- **Soaring costs of natural disasters such as floods and wildfires will put a strain on EU member states' budgets and banks**, as more households will be unable to insure their homes.

***NOTE:** Both abovementioned paragraphs based on a statement by the Chair of EIOPA, Ms Petra Hielkema, for Financial Times in February.*

- In times when EIOPA is pushing the EU to fund a public-private partnership that provides reinsurance for natural disaster risks to lower the costs and increase the availability of insurance cover, I am very proud to announce that **this discussion today is happening right after a very fresh and huge milestone achieved by the RCC in cooperation with 13 economies from SEE region:**
 - **Less than three weeks ago, we have formally established a SEE Regional Network on Disaster Risk Insurance and Risk Sharing.**

¹ Munich Re and Swiss Re

- We have worked hard to create this Network in order to respond to one of the most pressing priorities in the context of SEE2030 Strategy which aims to enhance human security and resilience in the region.
- This demanding and urgent priority is “to strengthen the region’s preparedness for natural disasters and its collective capacity to mitigate relevant socio-economic risk drivers” **(SEE 2030)**.
- This Network will serve as a regional platform aimed at **strengthening cooperation among insurance sector regulatory authorities and insurance and reinsurance sector associations of the SEECP economies.**
 - It will facilitate discussions and potential future concrete activities on expanding regional cooperation in the area of disaster insurance and improving disaster risk insurance schemes and risk-sharing mechanisms.
- Today, with our distinguished speakers and event participants, we would like to highlight **the importance of ensuring accessible and affordable disaster insurance for all.**
- **Our three panel speakers also represent SEE economies where disaster insurance schemes are either obligatory or are working towards modalities of making this kind of insurance more attractive for their citizens.**
- That’s why I am eager to listen and learn from their knowledge and experience in disaster risk insurance and see **how regional cooperation can be extended to disaster risk sharing, especially now with our Network** which gathers public and private sector representatives of disaster insurance sector.
- Together with our speakers, in particular **the World Bank representative**, attention will also be given to emphasising the importance of robust methodologies to calculate socioeconomic cost of disasters.

Ladies and gentlemen,

- I hope this side-event will offer an opportunity to present the discussion at the European level on accessible and affordable disaster insurance for all.
- We share a common vision to find sustainable solutions to common challenges in the SEE region. **The challenges posed by natural disasters (and climate change) are universal across our economies, and so must be our response—united, innovative, and resolute.**
- Thank you for your attention, and I wish you a productive discussion.