

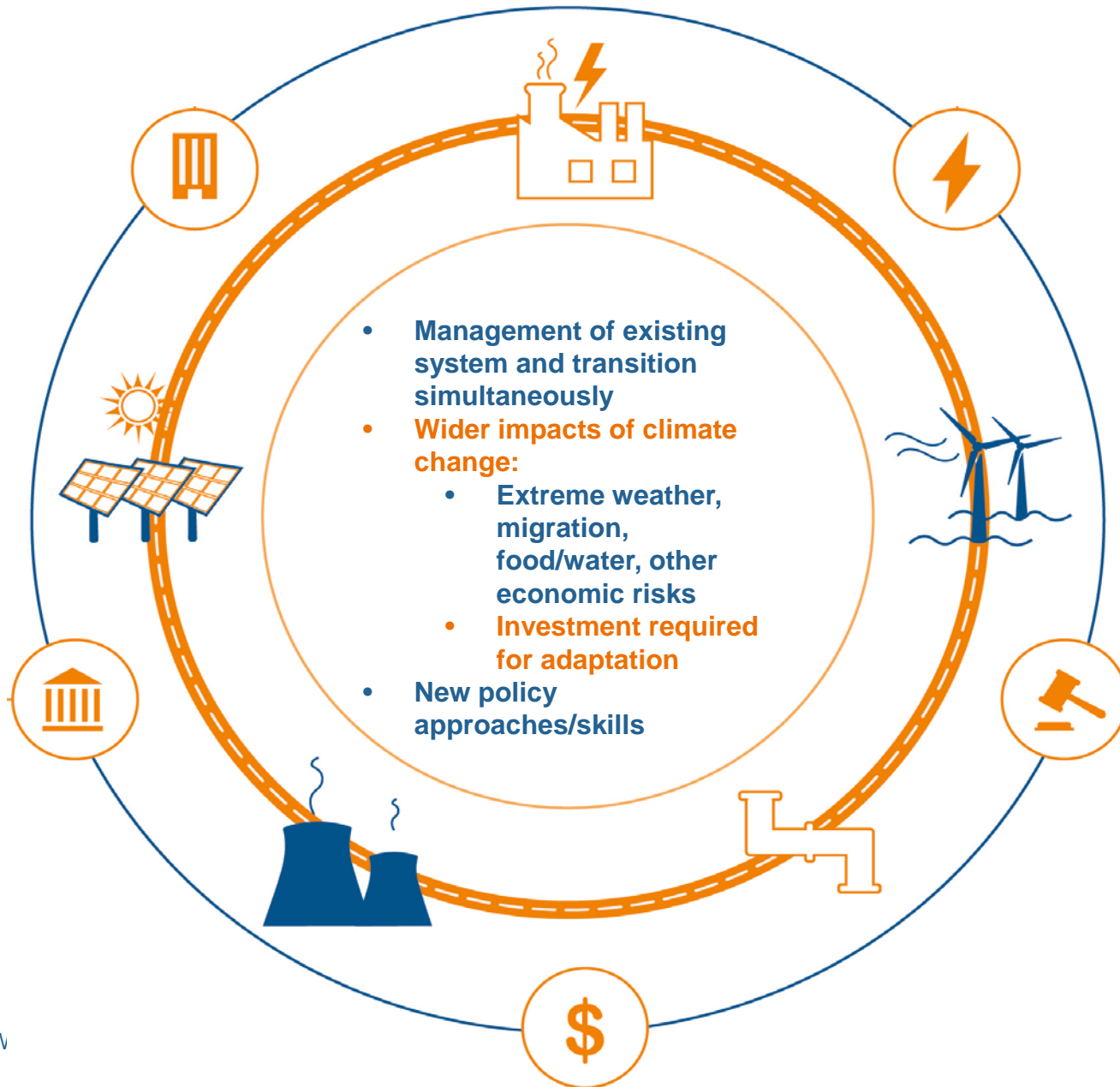
Global resilience risks and challenges

Joan MacNaughton | 16th March, Asia-Pacific Energy
Leaders' Summit

The challenge: Increasing frequency and severity of extreme weather events in the Asia-Pacific

- **> 50%** of world's 344 disasters in 2015
- **59 million** people affected; 16,000 fatalities
- Economic damage **> US\$ 45 bn**
- COP21 **commitment to 2°C** (and “efforts towards 1.5°)
- Investment requirements **US\$ 53 bn**

Need to plan proactively for resilience



Policy asks

- **Clear decision** on tolerable risk levels
- How to **regulate/ incentivise** to achieve resilience (including the needed investment)
- **What ‘insurance premium’ to pay** for such risk as is accepted
 - Contingency planning
 - Equipment
 - Training
 - Modelling capability
- **Allocation of risk/responsibility**

Policy = key risk if...

- **Deters** investment
- **Misallocates** risk/ responsibility
- **Fragments** across dossiers or **fails** to balance trilemma goals of security, environmental sustainability, affordability and access
- **Fails** to engage relevant stakeholders on calibration of risk and policy design

Conclusions

- Transition to **low-carbon economy** entails **risk**
- **More diverse systems** ultimately **less risky**
- **‘Whole system’** approach
 - All sub-sectors, demand AND supply
 - Whole value chain
 - Across administrative boundaries (regional/national/subnational)

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