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Risk Managment and Decision Making



Latin America is physically exposed to disasters, and its inequity amplifies the risks to the most vulnerable

Latin America is twice as exposed to climate disasters as the rest of the world, receiving climate damage of US\$ 11 billion a year

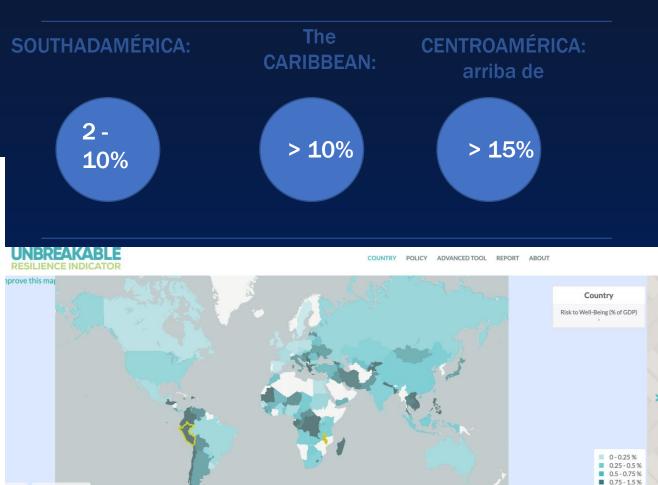
TABLE 1 | RISKS TO ASSETS AND TO WELL-BEING AS A PERCENTAGE OF GDP FOR SELECTED LATIN AMERICAN COUNTRIES

OUNT

(FROM HTTPS://UNBREAKABLE.GFDRR.ORG/COUNTRYTOOL)

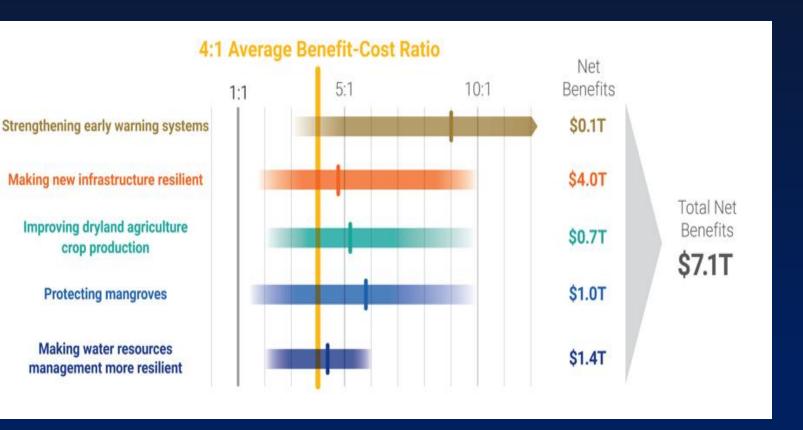
Country	RISKS TO ASSETS (%)	RISK TO WELL-BEING (%)
Argentina	0.44	0.78
Bolivia	0.50	1.01
Brazil	0.19	0.30
Chile	0.97	1.79
Colombia	1.37	3.04
Dominican Republic	1.18	1.85
Ecuador	1.94	2.93
El Salvador	2.70	4.15
Guatemala	0.66	2.69
Honduras	2.79	6.00
Jamaica	1.46	2.56
Mexico	0.14	0.25
Panama	0.22	0.44
Paraguay	0.19	0.38
Peru	2.10	5.24
Uruguay	0.06	0.10
Venezuela	0.62	1.00
Latin America Average	1.03	2.03
World Average	0.63	1.07

GDP losses to 2100





Climate adaptation is an opportunity and aligned with a just and resilient recovery...



Investing \$3 to \$13 billion per year will bring net benefits of \$700 billion.

Only incremental spending of 3% of conventional investment will make infrastructure more resilient.

Chile and Mexico have infrastructure investment commitments. Chile commits 30% of climate action (\$1.5 billion).





Chile a highly vulnerable country- water supply infrastructure

- Chile is highly vulnerable to climate change → 8th globally with the greatest loss of GDP due to climate disaster
- WB estimates estimates losses of around \$9 billion due to floods and droughts in the period 1926-2019. Floods alone \$5 billion loss
- In the Metropolitan Region, its water supply comes from the Mapocho and Maipo rivers, flows have fallen by 72 and 83% of their historical levels due to the megadrought.
- Episodes of heavy unseasonal rainfall have led to increases in turbidity events causing water production cuts, leaving the city without water.
- Aguas Andinas has had to invest in early warning systems and diversification of water sources.
- In the future it has a US\$500 million plan to improve water use efficiency, reduce operational losses, and improve water reuse.
- All are necessary investments to avoid economic losses due to water supply disruptions.

