

Note: These concept notes are as received from partner organizations



**Asian Ministerial Conference on Disaster Risk Reduction 2016
New Delhi, India
02-05 November 2016**

Concept Note for Thematic session

Event title	Disaster Risk: Identification and Financing Solutions
Event code	THEM-14
Date and Time	Friday, 4 th November, 13.00-14.30
Venue/ Room no.	Exhibition Hall, First Floor, Vigyan Bhawan
Organizers	<p>Lead: Asian Development Bank/World Bank/Stanford University</p> <p>Collaborators: Ministry of Finance (TBD); insurance industry representative (TBD)</p> <p>Contact Details* (lead):</p> <p>Name: Dr. Charlotte Benson/Dr. Olivier Mahul/ Dr. Ronak Patel</p> <p>Designation: Principal Disaster Risk Management Specialist/Program Manager/ Assistant Professor</p> <p>Email id and phone number: cbenson@adb.org, 00 632 632 4444; omahul@worldbank.org, +1 202 458 2177 rbpatel@gmail.com; 650.725.9445 (USA)</p> <p>Organization name and address:</p> <p style="padding-left: 40px;">Asian Development Bank, 6 ADB Avenue, Mandaluyong City, Metro Manila 1550, Philippines</p> <p style="padding-left: 40px;">World Bank, 2121 Pennsylvania Av NW, Washington, DC 20433, USA</p> <p style="padding-left: 40px;">Stanford University Medical Centre, 300 Pasteur Drive – Emergency Medicine, Alway Building, M121 – Mail Code: 5119, Stanford, California 94305-2200.</p>
Session Objectives	<p>To strengthen understanding of:</p> <ul style="list-style-type: none"> • The case for strengthening the financial management of disasters by governments, businesses and households;

	<ul style="list-style-type: none"> • The nature and role of disaster risk financing instruments; and • Experience and lessons in implementation and innovation, including with regard to sovereign risk transfer and microinsurance for informal enterprises.
<p>Background and context</p>	<p>Context of the proposed event: Asia and the Pacific is extremely vulnerable to natural hazards. Between 2006 and 2015, disasters resulted in 361,000 deaths, affected 1.4 billion people, and caused direct physical losses totaling \$727 billion—57% of the global total. Disasters have had a devastating economic and social impact, not only resulting in damage to infrastructure, crops, and housing but also leading to the loss of livelihoods, disruptions in trade and commerce, and market destabilization. Moreover, they have had significant consequences for government budgets, periodically placing significant additional demands on limited public resources to cover disaster relief, early recovery and reconstruction costs.</p> <p>Issues/problems to be addressed: The Sendai Framework for Disaster Risk Reduction 2015-2030 identifies the need to ‘promote mechanisms for disaster risk transfer and insurance, risk sharing and retention and financial protection, as appropriate, for both public and private investment in order to reduce the financial impact of disasters on governments and societies, in urban and rural areas’ (para 30(b)).</p> <p>Many countries in Asia and the Pacific have considerable progress to make in this regard. Few governments in the region have comprehensive financial strategies in place to manage disaster events. Moreover, penetration of disaster insurance is extremely low and insured public and private losses typically account for only a few percentage points of total disaster losses each year. In consequence, post-disaster response efforts rely heavily on reallocations of public resources, diverting financing away from prior development investment plans, leading to delays in the recovery process and exacerbating the indirect and secondary consequences of disasters. Meanwhile poor financial preparedness on the part of households and businesses contributes to continuing poverty and poor social development outcomes.</p> <p>As small- and micro-enterprises comprise much of the market providing goods and services that the urban poor rely upon, poor risk management of these markets can contribute significantly to delayed recover. Cash-based interventions from the humanitarian sector rely on functioning markets yet these often go unaddressed in standard humanitarian response and few tools exist to support such local market recovery efforts.</p> <p>Intended outcome: The event will enhance understanding of the financial risks posed by disasters and the potential adverse consequences for sustainable development. It will cover broad principles in designing comprehensive disaster risk financing strategies, both to address sovereign risk and to promote enhanced financial management of disaster risk on the</p>

	<p>part of households and business, and key instruments to manage sovereign and private disaster risk. A government representative will provide an opening statement outlining the relevance and importance of DRF from a public policy perspective, including as a tool in promoting sustainable development. Panelists will share experience and lessons learned in undertaking efforts to enhance the financial management of disasters from the perspective of government, multilateral development banks, academia, civil society organizations and the insurance industry. The discussion will provide a flavor of innovation in this rapidly developing field and exciting potential to enhance the financial management of disasters.</p>
<p>Session format and programme</p>	<p>90 minute session as follows:</p> <ol style="list-style-type: none"> 1. Introduction (5 mins) Moderator – Charlotte Benson, Asian Development Bank 2. Opening statement (10 mins) Boualith Khounsy, Ministry of Finance, Lao PDR 3. Panel discussion, led by moderator (40 mins) Louis Alton, World Bank Mihir Bhatt, All India Disaster Mitigation Institute Vincent Eck, Head of Global Partnerships for Asia Pacific. Boualith Khounsy, Ministry of Finance, Lao PDR Ronak Patel, Stanford University 4. Q&A (30 mins) 5. Closing remarks - moderator (5 mins)
<p>Intended main outcome and Key messages</p>	<ul style="list-style-type: none"> • Adequate disaster risk financing arrangements can ensure timely post disaster recovery and minimize the consequences of disasters for sustainable development. • Governments, businesses and individual households urgently need to strengthen their financial management of disaster risk, including through the use of insurance. • Innovative public-private partnerships are essential in addressing existing demand and supply constraints to the growth of market-based disaster risk transfer solutions. • The disaster resilience of small and micro-enterprises, which comprise much of the local markets for disaster recovery, must be addressed with inclusive risk transfer mechanisms. • Collaborative research and advocacy can lead to innovative and potentially transformative practice in disaster resilience.
<p>List of Speakers</p>	<p>Luis Alton, Disaster Risk Finance Specialist, Disaster Risk Financing and</p>

and their interventions

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Mr. Luis Alton is a Disaster Risk Finance Specialist at the World Bank's Disaster Risk Financing and Insurance Program where his work focuses on integrating disaster related fiscal risk into public finance frameworks and on improving post disaster expenditure efficiency. Mr. Alton has seven years of hands-on public financial management experience. His areas of expertise include public expenditure analysis and reform; fiscal transparency; and the formulation and design of disaster risk finance policy reforms. Mr. Alton is an Austrian national and holds a BSc from the London School of Economics and an MSc from University College London (both in Economics).

Charlotte Benson, Principal Disaster Risk Management Specialist, Asian Development Bank. Email: cbenson@adb.org

Dr. Charlotte Benson has over 25 years of experience on economic and fiscal aspects of disaster risk management. Her work at ADB includes the development and coordination of ADB's disaster risk management policies and strategies and support to ADB's operational departments in implementing disaster risk management projects, including disaster risk financing initiatives. She holds a BSc and MSc in Economics from the London School of Economics and a PhD in Development Studies from the University of London.

**Mr. Mihir R. Bhatt, Managing Trustee, AIDMI
Email: mihir@aidmi.org**

Mr. Mihir Bhatt has over 25 years of experience in extending technical support to agencies in India and Asia for mitigating risks of natural disasters and climate extremes. He has over 15 years of experience in piloting and promoting disaster microinsurance in South Asia through action centered research.

**Vincent Eck, Head of Global Partnerships for Asia Pacific
Email: Vincent_Eck@swissre.com**

Mr. Vincent Eck is the Head of Global Partnerships for Asia Pacific at Swiss Re. Based in Singapore, he was appointed in 2016 to lead Swiss Re's public sector business in the Asia Pacific region, together with a team of Client Managers based in Beijing, Hanoi, Mumbai, Singapore and Sydney,

Vincent has more than 16 years of experience in analysis, structuring and sales of reinsurance solutions. In that time, he has led extensive cross-functional teams within Swiss Re and built strong external relationships. Prior to his current role, he spent four years as a Global Key Account Manager in Swiss Re.

Having joined Swiss Re since 1999, Vincent began his career as a Property Treaty Underwriter in Paris, and later spent five years as a Senior Structurer in Swiss Re's Property & Casualty Structured Reinsurance Solutions Department in Zurich. Vincent was involved in a variety of significant transactions including catastrophe bonds for selected clients in Europe and

	<p>Middle East.</p> <p>Vincent holds an Advanced Master's Degree in Financial Technics from the ESSEC Business School, France and a Master's degree in Finance from the Institut d'Etudes Politiques, Strasbourg.</p> <p>Mr. Boualith Khounsy, Deputy Director General for International Cooperation Department, Ministry of Finance, Lao PDR</p> <p>Mr. Boualith Khounsy has held the position of Deputy Director General for International Cooperation Department, Ministry of Finance of the Lao People's Democratic Republic since May 2013. Since his appointment, he has served in several activities on ASEAN and ASEAN+3 financial cooperation; he has been appointed as Co-Chair of the ASEAN Working Committee on Financial Services Liberalization (WC-FSL) and Co-Chair of the Task Force on Asian Bond Market Initiative (ABMI). Recently he has been appointed as Deputy Head of a committee working with the World Bank on regional disaster risk financing and insurance. He has regularly attended ASEAN insurance regulators meeting (AIRM). Before assuming his current post, Mr. Khounsy was Director for ASEAN financial cooperation, assuming this position in 2003. He was appointed as Advisor to the Executive Director for the South East Asia Constituency Office at the World Bank from 2000 to 2002.</p> <p>Mr. Khounsy obtained his Bachelor degree of finance from the Science Economic University of Budapest (Hungary) in 1990. He also completed his research study in macroeconomic and economic development in Fukushima University (Japan) in 1996.</p> <p>Dr. Ronak Patel, Assistant Professor, Stanford University Email: rbpatel@gmail.com</p> <p>Dr. Patel earned his medical degree from the University of California, San Francisco and his MPH from the Johns Hopkins Bloomberg School of Public Health. Dr. Patel's work centers on the challenges and opportunities presented by rapid urbanization for the health and well-being of vulnerable populations and humanitarian crises. His research focuses on exposing and disaggregating cumulative risks and developing tools and interventions to mitigate these risks. His recent work has included disaster microinsurance for local market recovery, slum upgrading impacts, resilience to urban violence, social cohesion and disaster risk reduction and indicators for resilience in fragile cities.</p>
<p>Background document</p>	<p>ADB and the World Bank will submit a note on new diagnostic tool for the identification and assessment of fiscal risks posed by disasters. The note will describe how countries can identify and assess fiscal risk from natural disasters, and how to protect against it through disaster risk financing mechanisms which are cost-effective and suited to country contexts. The</p>

	<p>document is currently being drafted but will be submitted before the event.</p> <p>Stanford University and AIDMI will submit a brief background document covering the microinsurance innovation presented during the session leading to key messages and need for replication and scale up support for effective implementation of SFDRR (priority number 3) in Asia. The document will address challenges, opportunities and successful practice.</p>
Technical Equipment	Projector, computer, microphones, others: microphones plus seating arrangement at front of room suitable for a panel discussion (no table)