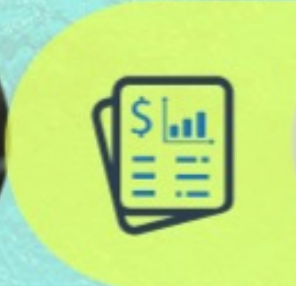


Women in Risk Finance

March 8, 2023



A World Without Risk Finance - Video




Opening Remarks



Jean Pesme

**Global Director, Finance, Competitiveness & Innovation
(FCI) Global Practice, World Bank**

Speaker Presentation



Ekaterine Guntsadze
Deputy Minister of Finance, Georgia

GEORGIA: A Journey to Advance Disaster Risk Finance

Eka Guntsadze

Deputy Minister, Ministry of Finance, Georgia

Disaster Risk Financing & Insurance Program



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs,
Education and Research EAER
State Secretariat for Economic Affairs SECO



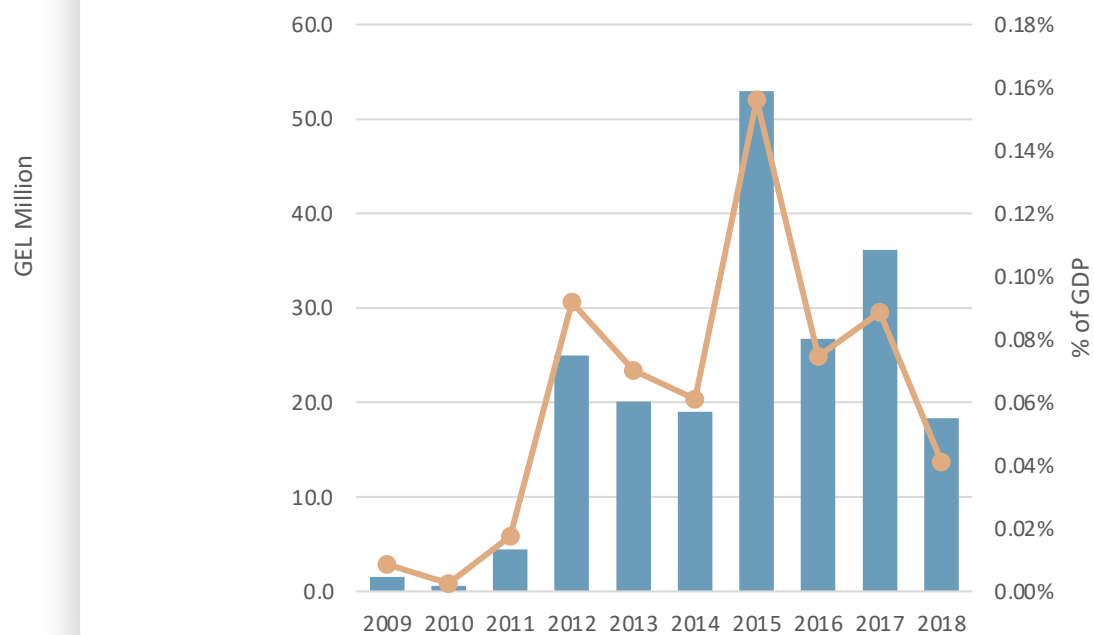
MINISTRY OF FINANCE
OF GEORGIA



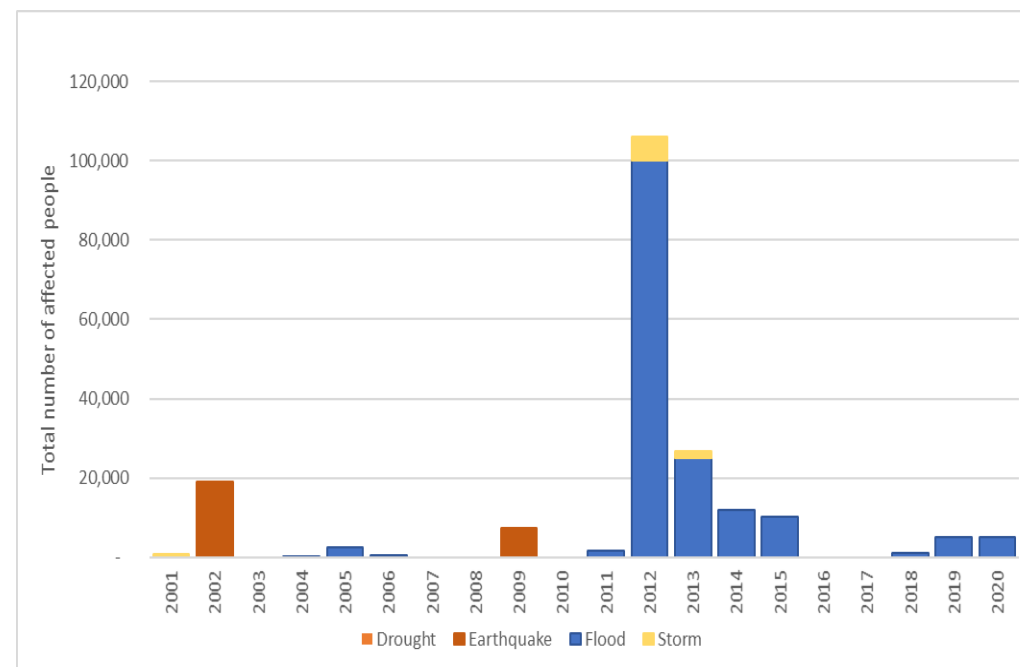
Managing Disaster Related Fiscal Risks In Georgia: A Journey

Disaster Risks in Georgia

Disaster Expenditure



Number of People Affected by Natural Disasters



Natural Disasters Fiscal Risks Disclosure Practices

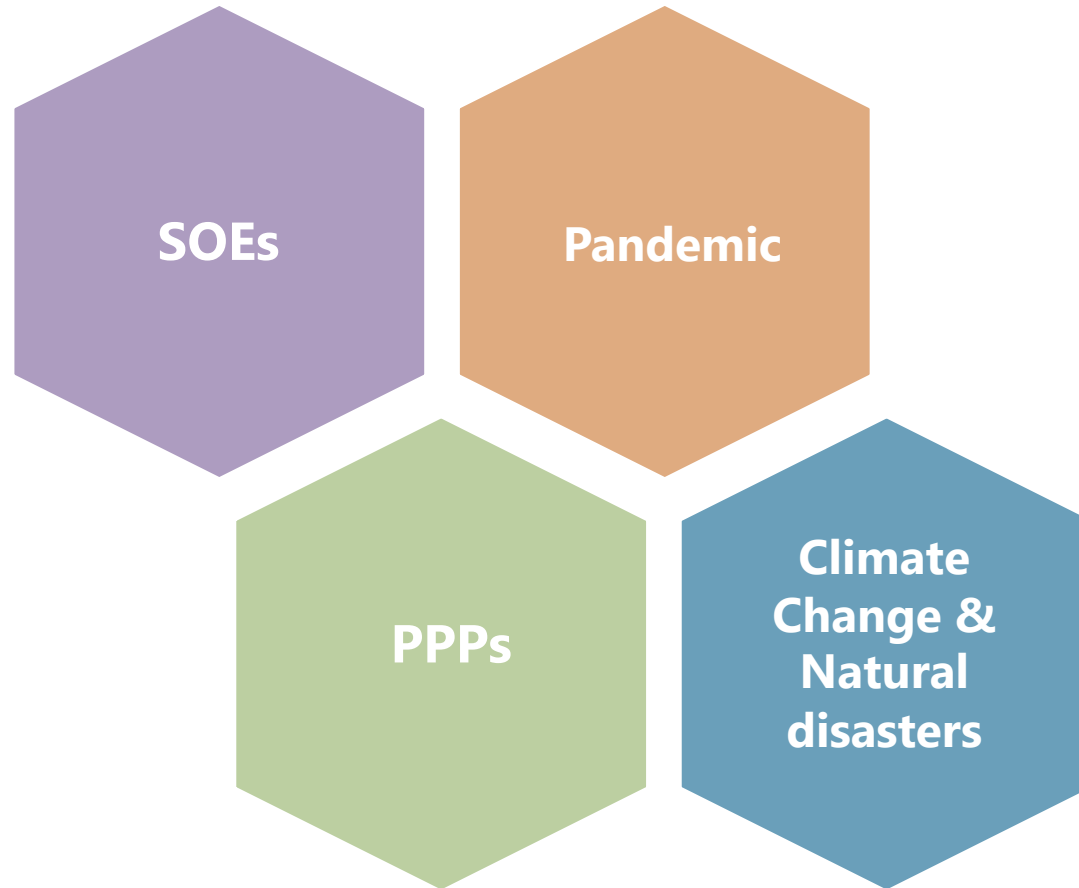
Disaster-related fiscal risks represent implicit contingent liabilities
Accentuation of natural disasters is likely to be an important effect of climate change.

Principle	Practices		
	Basic	Good	Advanced
The potential fiscal exposure to natural disasters and other major environmental risks is analyzed, disclosed, and managed.	The government identifies and discloses the main fiscal risks from natural disasters in qualitative terms.	The government identifies and discloses the main fiscal risks from natural disasters, quantifying them on the basis of historical experiences.	The government identifies and discloses the main fiscal risks from natural disasters, quantifying them on the basis of historical experiences, and managing them according to a published strategy.

Blue = already implemented

Red = ongoing

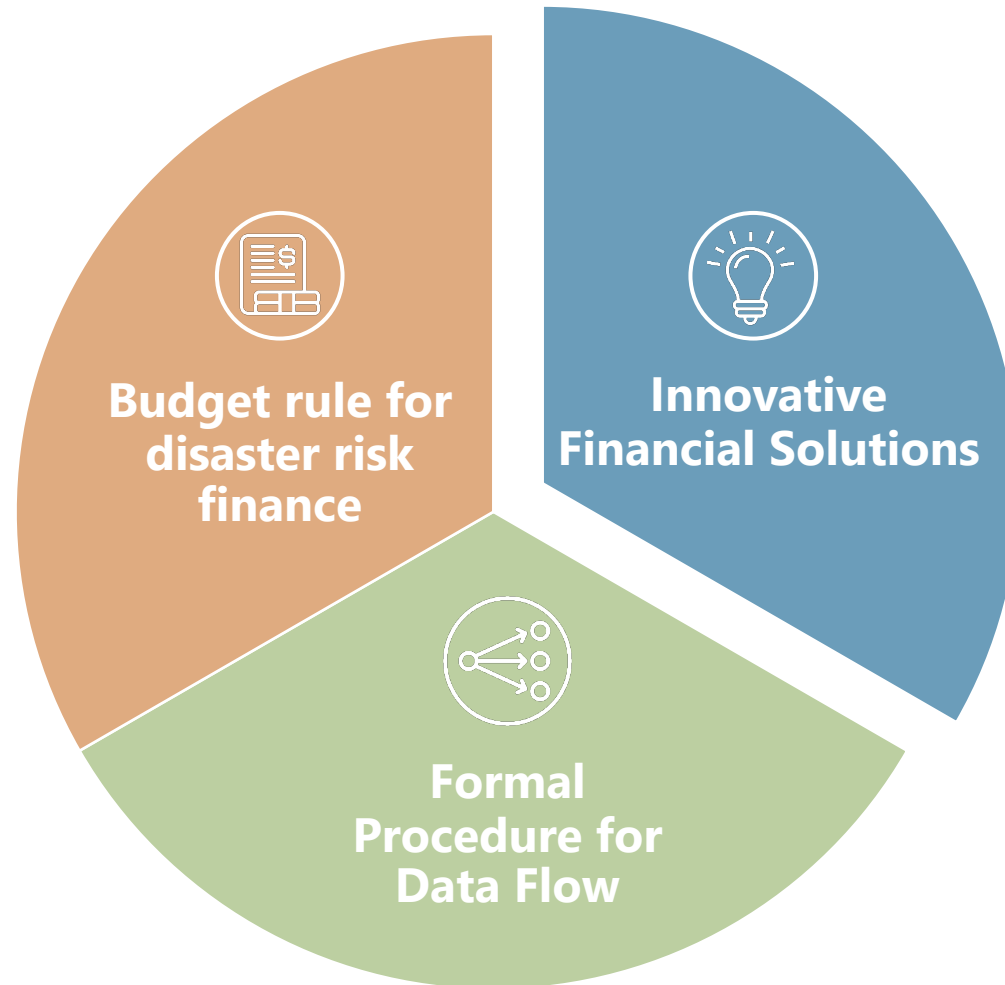
Georgia Fiscal Risk Statement 2021 & 2022



Managing Disaster Related Fiscal Risks: Financial Instruments

- The Government of Georgia is committed to strengthening fiscal and financial resilience against disasters:
 - A dedicated disaster risk finance framework is under preparation as part of a development policy loan package
- The Government of Georgia already puts in place a number of instruments for disaster risk finance:
 - Budget instruments
 - Agriculture insurance
- The Government of Georgia looks to further financial protection through innovative solutions
 - Being explored under the disaster risk finance framework

Challenges/Opportunities



Thank you



Speaker Presentation



Nella Sri Hendriyetti

Head of Centre for Regional and Bilateral Policy (PKRB), Fiscal Policy Agency (BKF), Ministry of Finance, Republic of Indonesia



MINISTRY OF FINANCE
REPUBLIC OF INDONESIA

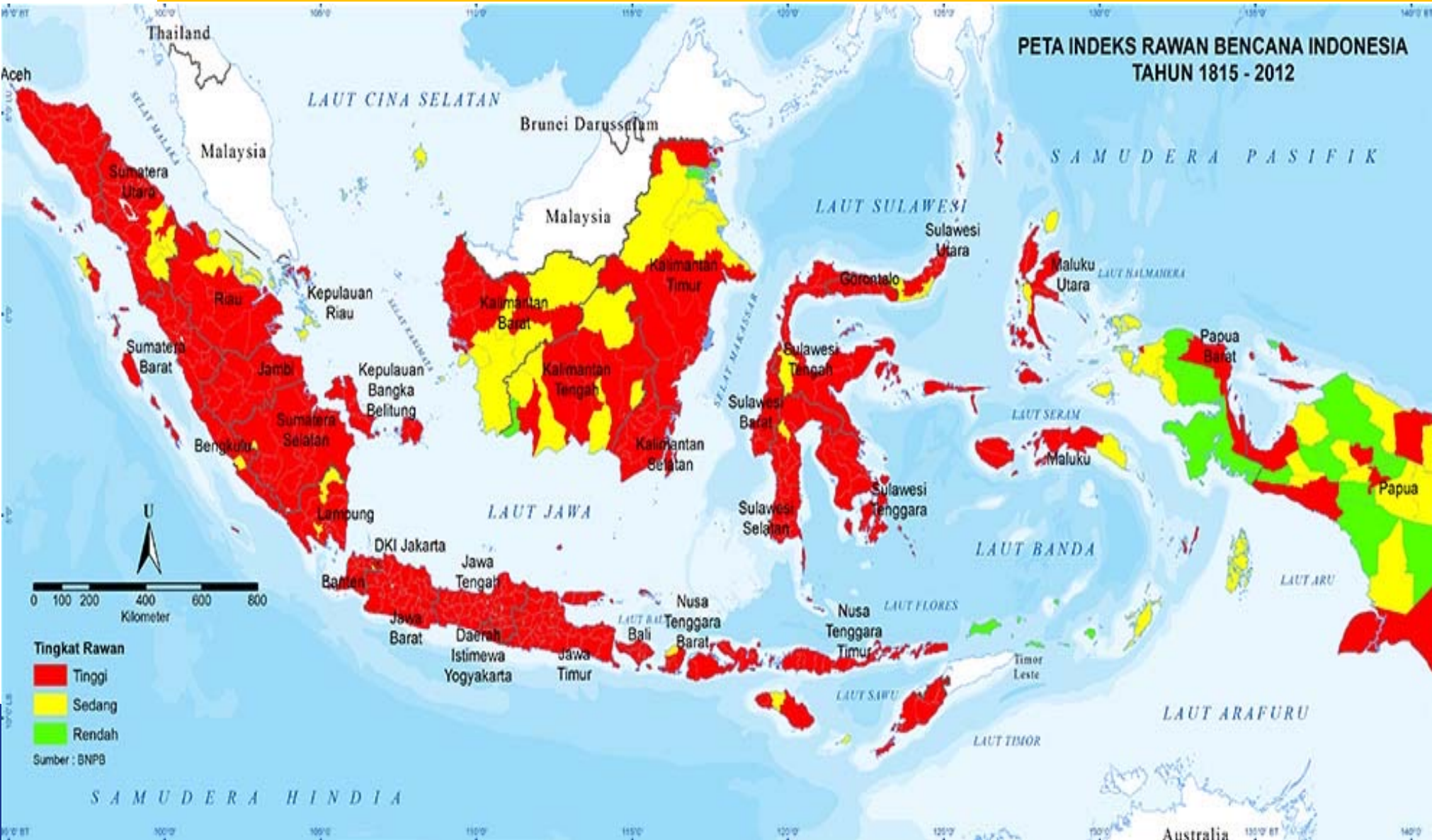


DISASTER RISK FINANCING AND INSURANCE STRATEGY

March 2023



Indonesia's Vulnerability to Disasters



- ❖ Indonesia is ranked 37th out of 180 countries most vulnerable to disasters (The World Risk Index 2019), because Indonesia is in the “ring of fire” area
- ❖ Almost all areas are high and medium risk
Disasters can be caused by natural, non-natural and human factors



Disaster Impact in Indonesia



BENCANA 2019

PERIODE 1 JANUARI 2019 - 31 DESEMBER 2019

Sampai tanggal 31 Desember 2019 Pkl. 10.00 WIB, tercatat 3.814 kejadian bencana. Bencana hidrometeorologi mendominasi antara lain puting beliung menempati urutan pertama diikuti banjir dan kebakaran hutan dan lahan (Karhutla). Bencana juga menimbulkan penduduk terdampak dan mengungsi lebih dari 6 juta jiwa, merenggut 589 jiwa meninggal & hilang serta 3.422 luka-luka.

TOTAL BENCANA TAHUN 2019
3,814

Periode 1 Januari - 31 Desember 2019



JUMLAH KEJADIAN PER-JENIS BENCANA TAHUN 2019

PUTING BELIUNG	1,387
KARHUTLA	746
BANJIR	784
TANAH LONGSOR	719
KEKERINGAN	123
GEMPA BUMI	30
GELOMBANG PASANG & ABRASI	18
ERUPSI GUNUNGAPI	7

DAMPAK BENCANA PERIODE 1 JAN - 31 DES 2019

478 MENINGGAL DUNIA
111 HILANG
6,1 Juta MENDERITA & MENGUNGI
3.422 LUKA-LUKA

DAMPAK KERUSAKAN TAHUN 2019

RUMAH RUSAK TOTAL	15.813	14.566	43.347	KANTOR & PERUSAHAAN RUSAK	275
RUMAH RUSAK BERAT	73.726	RUMAH RUSAK SEDIKIT	43.347	KANTOR RUSAK	450
FASILITAS RUSAK TOTAL	2.024	FASILITAS RUSAK BERAT	688	FASILITAS RUSAK SEDIKIT	213
	1.123	FASILITAS RUSAK SEDIKIT	213	FASILITAS RUSAK BERAT	450

No : 19/B/099/Ben-2019/BNPB/10022020



BENCANA INDONESIA 2020

SEBARAN KEJADIAN BENCANA ALAM TANGGAL 1 JANUARI - 31 DESEMBER 2020

Sampai tanggal 31 Desember 2020 Pkl. 15.00 WIB, tercatat jumlah kejadian bencana sebanyak 4.650 kejadian. Kejadian bencana alam mendominasi adalah bencana banjir, kemudian diikuti berturut-turut puting beliung dan tanah longsor. Bencana alam menimbulkan terdampak dan mengungsi 6.796.707 jiwa, sedangkan sebanyak 418 jiwa meninggal dan hilang, serta luka-luka 619 jiwa. Selain bencana alam, pada tanggal 13 April 2020 pemerintah menetapkan penyebaran Covid-19 sebagai **Bencana Nasional** non alam.

TOTAL BENCANA TAHUN 2020
4,650*

1 Januari 2020 - 31 Desember 2020



JUMLAH KEJADIAN PER-JENIS BENCANA TAHUN 2020

BENCANA ALAM	
GEMPA BUMI	18
ERUPSI GUNUNGAPI	7
KARHUTLA	597
KEKERINGAN	26
BANJIR	1.518
TANAH LONGSOR	1.054
PUTING BELIUNG	1.386
GELOMBANG PASANG & ABRASI	43
BENCANA NON ALAM	
EPIDEMI COVID-19	1

DAMPAK BENCANA ALAM TANGGAL 1 JANUARI - 31 DESEMBER 2020

376 MENINGGAL DUNIA
42 HILANG
6.796.707 MENDERITA & MENGUNGI
619 LUKA-LUKA

DAMPAK KERUSAKAN BENCANA ALAM TAHUN 2020

RUMAH RUSAK TOTAL	65.743	RUMAH RUSAK BERAT	13.240	RUMAH RUSAK SEDIKIT	9.694	RUMAH RUSAK BERAT	42.809	KANTOR & PERUSAHAAN RUSAK	134
FASILITAS RUSAK TOTAL	1.683	FASILITAS RUSAK BERAT	713	FASILITAS RUSAK SEDIKIT	824	FASILITAS RUSAK BERAT	146	KANTOR RUSAK	442
		FASILITAS RUSAK SEDIKIT	824	FASILITAS RUSAK BERAT	146	FASILITAS RUSAK BERAT	146	JAMBAHAN RUSAK	442

DAMPAK BENCANA NON ALAM

743.198 MENDERITA & MENGUNGI
22.138 MENINGGAL DUNIA
611.097 LUKA-LUKA

No : 373/U253/099/Ben-Indonesia/BNPB/09072021



BENCANA INDONESIA 2021

Sampai tanggal 31 Desember 2021, tercatat jumlah kejadian bencana sebanyak 5.402 kejadian. Kejadian bencana alam mendominasi adalah bencana banjir, kemudian diikuti cuaca ekstrem dan tanah longsor. Bencana alam menimbulkan terdampak dan mengungsi 7.630.692 jiwa, sedangkan sebanyak 728 jiwa meninggal dunia dan 87 hilang serta 14.915 luka-luka.

JUMLAH KEJADIAN PER-JENIS BENCANA TAHUN 2021

BENCANA ALAM

GEMPA BUMI	24
ERUPSI GUNUNGAPI	1
KARHUTLA	579
KEKERINGAN	15
BANJIR	1.794
TANAH LONGSOR	1.321
CUACA EKSTREM	1.577
GELOMBANG PASANG & ABRASI	91

SEBARAN KEJADIAN BENCANA ALAM TANGGAL 1 JANUARI - 31 DESEMBER 2021



TOTAL BENCANA TAHUN 2021
5,402

1 Januari - 31 Desember 2021

DAMPAK BENCANA ALAM PERIODE 1 JANUARI - 31 DESEMBER 2021

728 MENINGGAL DUNIA
87 HILANG
7.630.692 MENDERITA & MENGUNGI
14.915 LUKA-LUKA

DAMPAK KERUSAKAN BENCANA ALAM TAHUN 2021

RUMAH RUSAK TOTAL	158.658	RUMAH RUSAK BERAT	21.335	BANJIR RUSAK SEDIKIT	27.936	RUMAH RUSAK BERAT	109.387	KANTOR & PERUSAHAAN RUSAK	664
FASILITAS RUSAK TOTAL	4.445	FASILITAS RUSAK BERAT	1.755	FASILITAS RUSAK SEDIKIT	2.232	FASILITAS RUSAK BERAT	458	KANTOR RUSAK	505
		FASILITAS RUSAK SEDIKIT	2.232	FASILITAS RUSAK BERAT	458	FASILITAS RUSAK BERAT	458	JAMBAHAN RUSAK	505

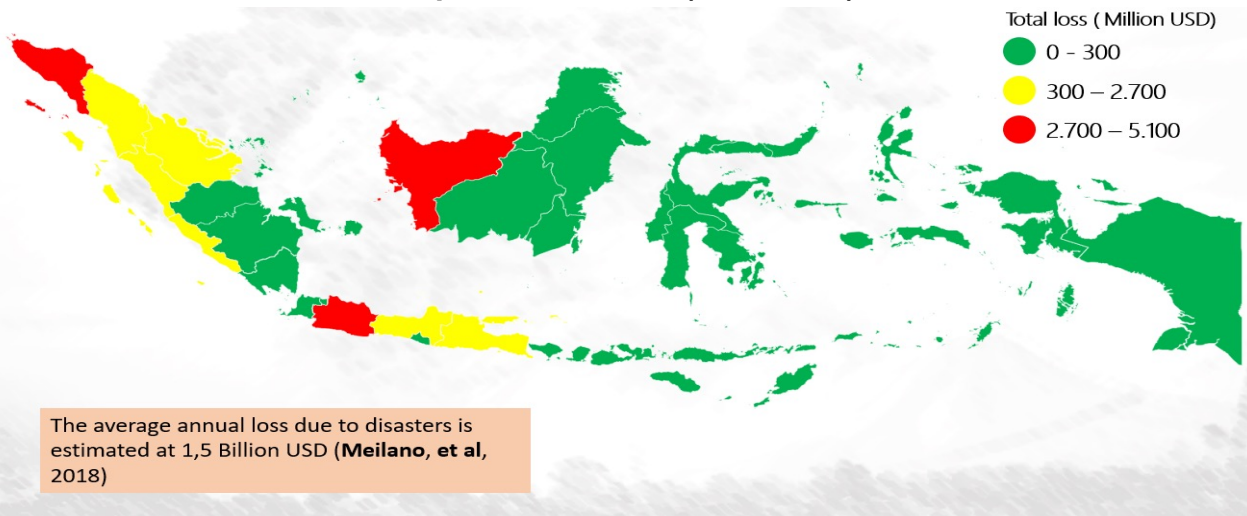
No : 4/U380/099/Ben-Indonesia/BNPB/17022022

- The total number of disaster events has been increasing in the last 3 years, from 3,814 in 2019 to 5,402 (2021)
- In general, the impact of disasters and the impact of damage has increased from 2019 to 2021

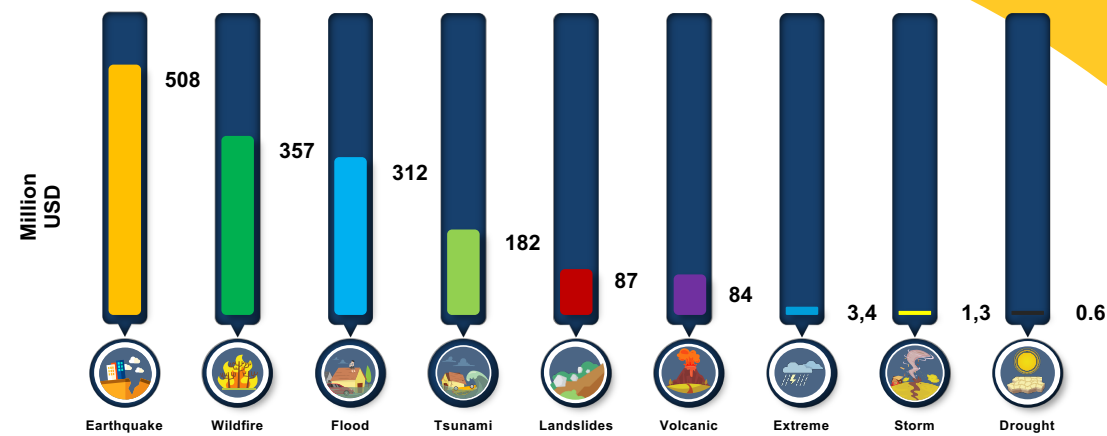


DISASTER IMPACT ON STATE BUDGET

The Impact of Disaster (2000-2016)

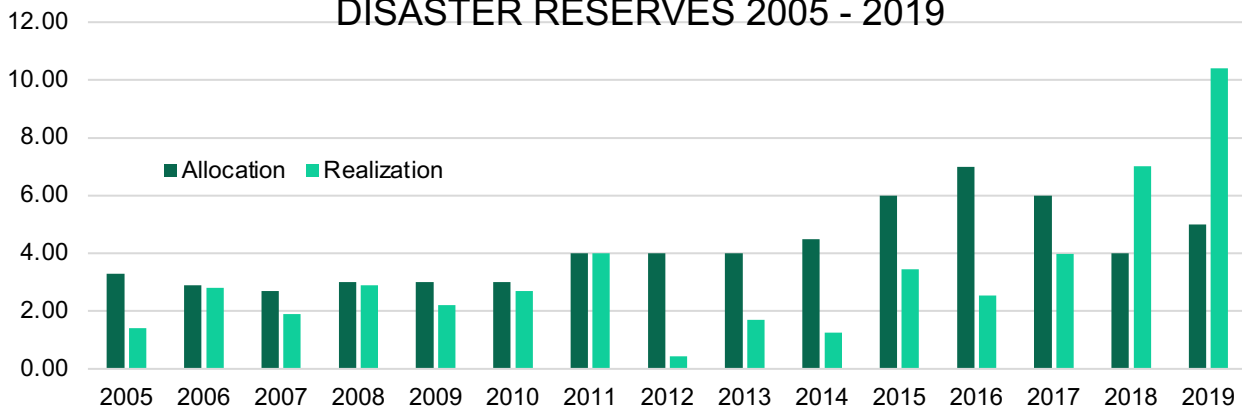


Average Annual Economic Loss (2000 - 2016)

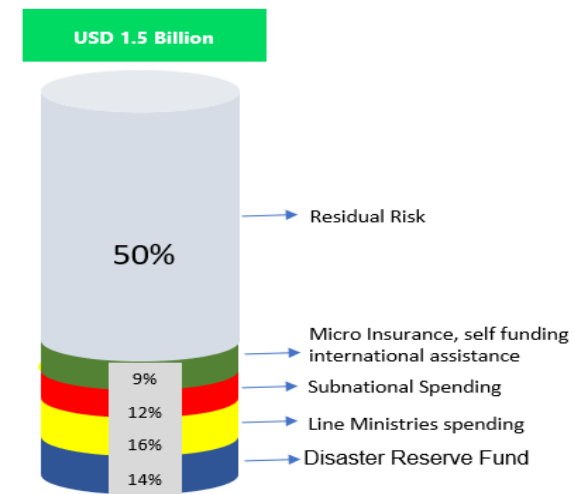


Source : Meilano, et al, 2018

BUDGET ALLOCATION AND REALIZATION OF NATURAL DISASTER RESERVES 2005 - 2019



Disaster Funding





Transformation in Disaster Management Financing

Before
2019

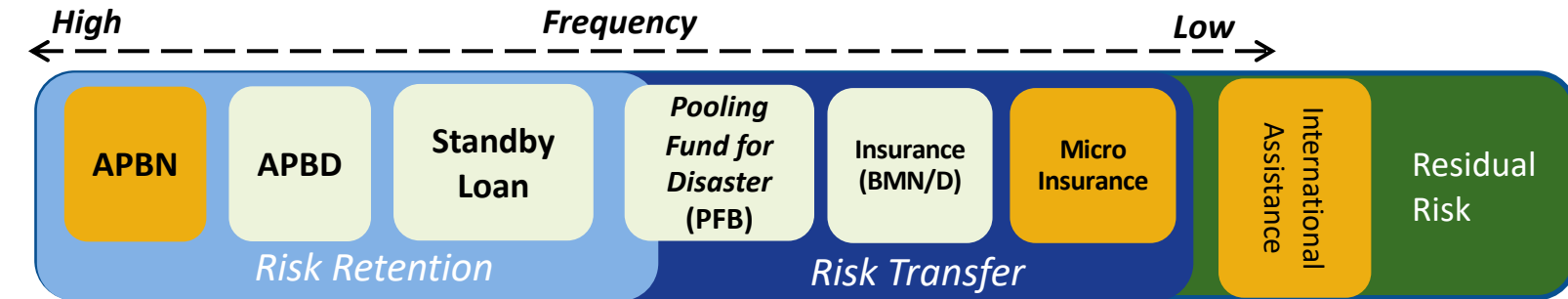
- Only one instrument (**APBN /APBD**)
- Less flexible
- Only for retention (there is no risk transfer)
- **reactive**



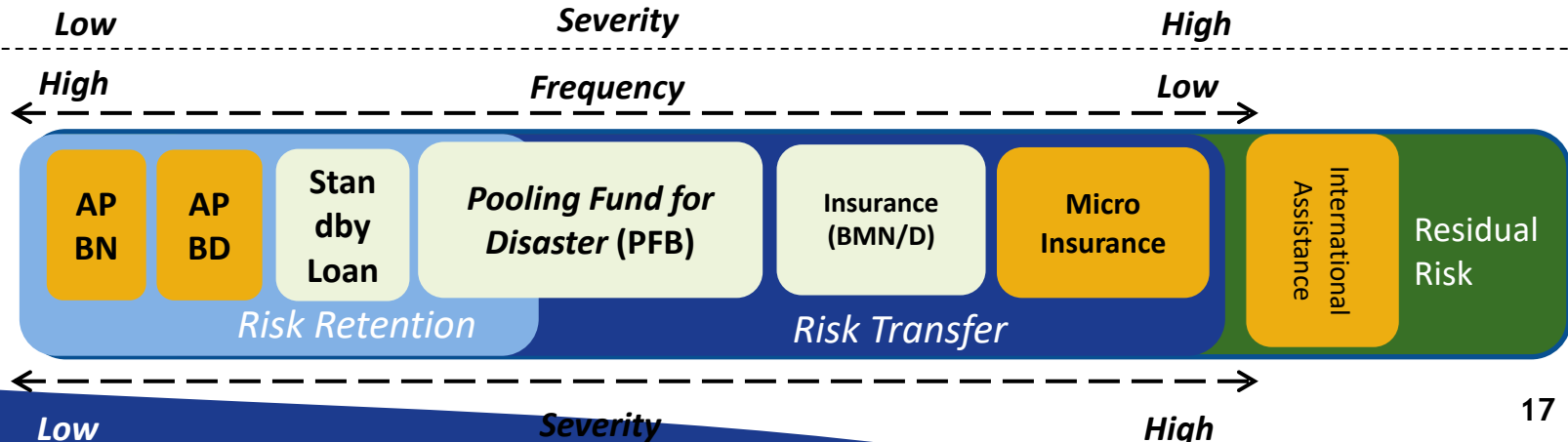
After
2019

- Mixed **instrument**
- Not depend on APBN
- For longer term, PFB will be main instrument
- **Proactive**
- In the long term, residual risk will decrease

Short Term



Long Term





POOLING FUND FOR DISASTER (PFB)



Strategic Goals

- Funding scheme to reduce state budget burden
- Timely and targeted distribution of funds
- Encourage the development of a comprehensive disaster risk financing ecosystem and create co-benefits



Governance

- Mandated by Presidential Regulation No. 75/2021
- Does not change the existing disaster funding mechanism, but complements and accelerates it
- Does not reduce the Disaster Reserve Fund in the APBN and allocations for K/L
- BNPB plays a central role in distribution
- Managed by BPD LH (KMK 407/2021)



Functions and Programs

- Manage (collect, develop and distribute) funds from the APBN, APBD, and other legitimate sources
- Added value: fund accumulation (self insurance), innovation and risk transfer
- For natural and non-natural disasters; for pre-disaster, disaster emergency, and post-disaster stages

PFB Potential Programs (early stage)

- Mobilization of funds from various sources, domestic and overseas
- Fund accumulation and investment managed by BLU
- Mitigation and preparedness funding program (risk reduction)
- Disaster risk transfer program through state assets insurance, sub-national assets insurance (co-financing), and assets of most vulnerable community
- Recovery and rebuilding programs for most affected communities, for example through cash transfers and assistance.



Challenges and Opportunities



Challenges

- ❖ Fund Collection → Increasing the Local Government's participation and willingness to contribute (fund allocation) to PFB
- ❖ Fund Accumulation → Ensuring an adequate fund to complement the state budget
- ❖ Fund Disbursement → Developing an effective and promptly disbursement process

Opportunities

- ❖ Providing additional protection to the riskier group, particularly women and children
- ❖ Increasing women participation and empowerment in disaster risk management-related activities





THANK YOU

Speaker Presentation



Maleshoane Lekomola-Danziger
Budget Controller, Ministry of Finance, Lesotho

MINISTRY OF FINANCE

FINANCIAL PREPAREDNESS AND RESILIENCE IN LESOTHO

**MS M. LEKOMOLA-DANZIGER:
BUDGET CONTROLLER**



HIGH EXPOSURE TO POLY-CRISES



Hazard	Risk rating
Drought	High
Flooding	High
Wildfires	High
Urban flood	Medium
Earthquake	Medium
Cyclone	Low

Disaster Risk Finance Diagnostic – 2019

Recommendations:

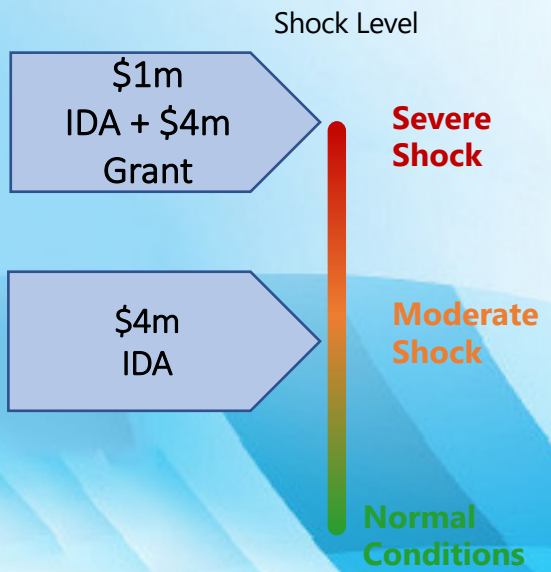
1. Strengthening the operational rules of the existing contingency funds
2. Develop and adopt a national disaster risk financing strategy
3. Strengthen mechanisms targeting vulnerable groups (safety net beneficiaries, MSMEs)

MOFDP PRIORITIZATION TO STRENGTHEN FINANCIAL RESILIENCE

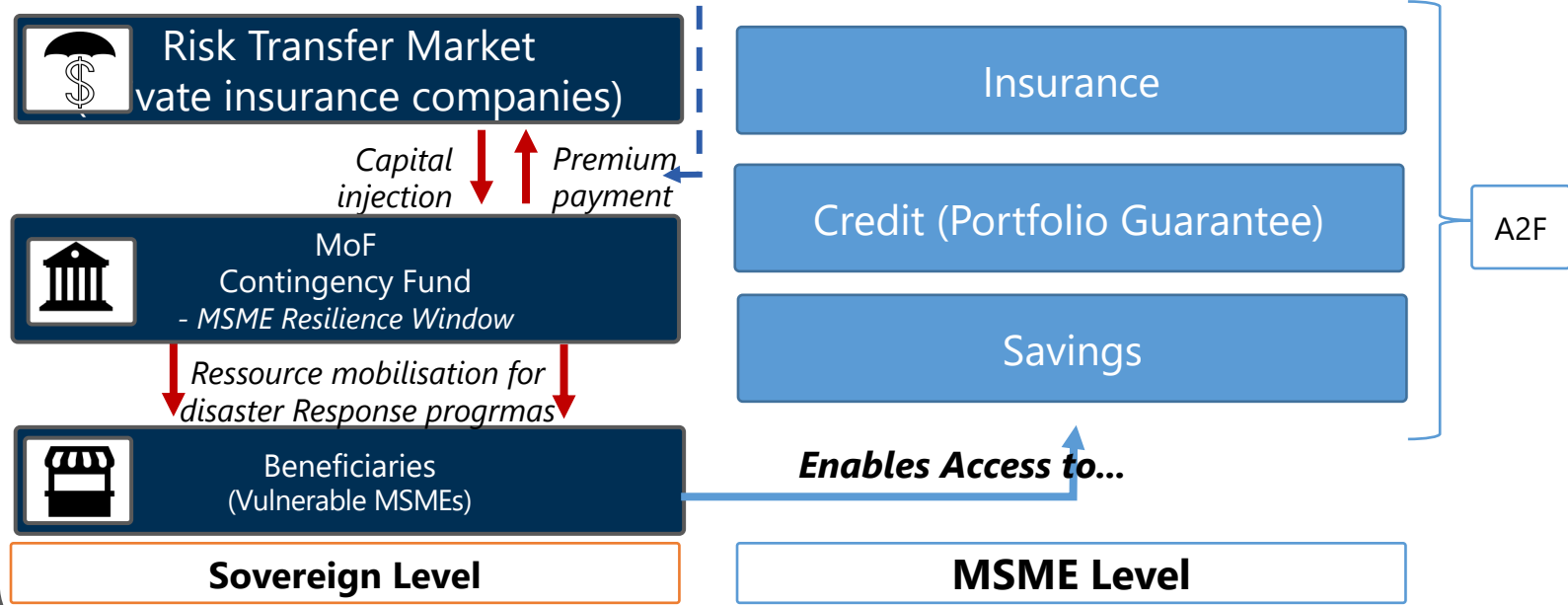


- Developing a National Disaster Risk Finance Strategy (building on diagnostic findings)
- Revising regulations for the Contingency Fund held at the MoF to better adapt for financing disaster response
- Mobilizing grant and concessional resources to support agenda
 - Competitiveness and Access to Finance (CAFI) Project seeks to increase access to business support services and financial products targeted at MSMEs, especially women and youth.
 - Using project to mobilize funding **and** establish delivery channels to vulnerable segments of society (next slide)
- Developing a risk layering approach for financing shock response (next slide)

MOF EXPANDING RISK FINANCING INSTRUMENTS LEVERAGING CONCESSIONAL AND GRANT RESOURCES



US\$6 million co-financing of insurance premiums



\$2m Grant

\$1.5m Grant

- ### Technical Assistance
- Draft and adopt a *National Disaster Risk Finance Strategy*
 - Draft and adopt *regulations* governing the Contingency Fund
 - Design and execution of *risk transfer product*
 - Strengthen *digital financial services* - delivery mechanism for relief resources

KEA LEBOHA!
THANK YOU!

Speaker Presentation



Rosalia V. De Leon

Treasurer of the Philippines, Bureau of Treasure, Republic of Philippines

Philippines & Risk Finance

Rosalia V. De Leon

Treasurer of the Philippines



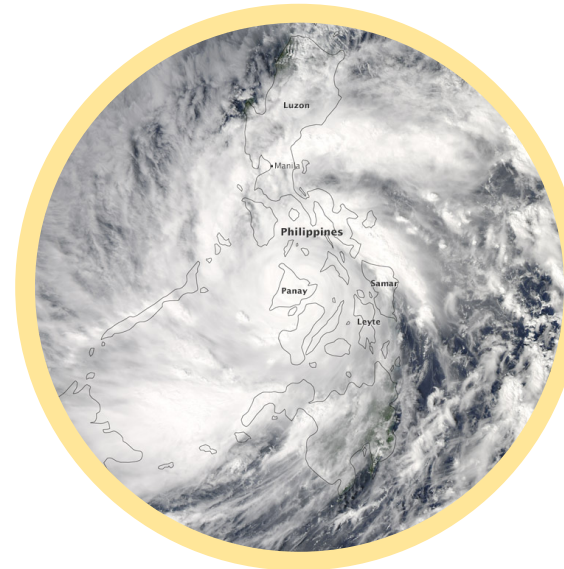
RATIONALE



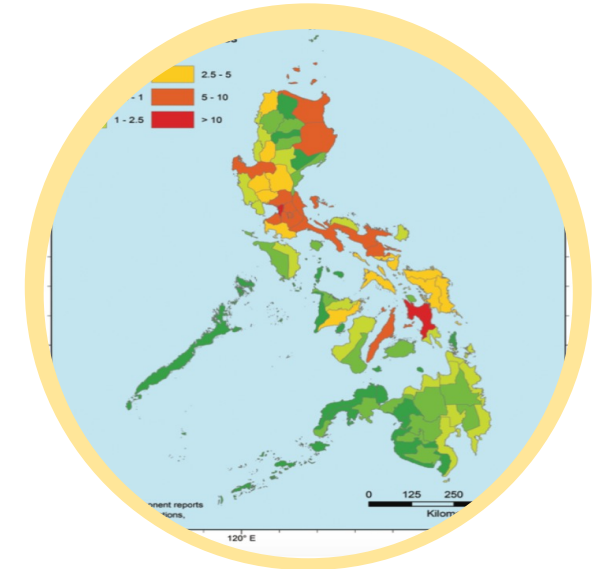
Located in the Pacific Ring of Fire and Typhoon Belt – High incidence of typhoons and earthquakes



Experiences an average of 20 typhoons a year



Typhoon Haiyan – 2nd strongest typhoons ever recorded¹; Costliest Philippine typhoon



Average Annual Loss of PHP 177 Billion due to typhoons and earthquakes (AIR Risk Model)

1. Hurricane Patricia (2015) overtook Haiyan as the strongest ever recorded

STRATEGIC DIRECTION

Proactive risk management

NATIONAL LEVEL

To maintain **sound fiscal health** at the national government level, necessary to support long term rehabilitation and reconstruction needs

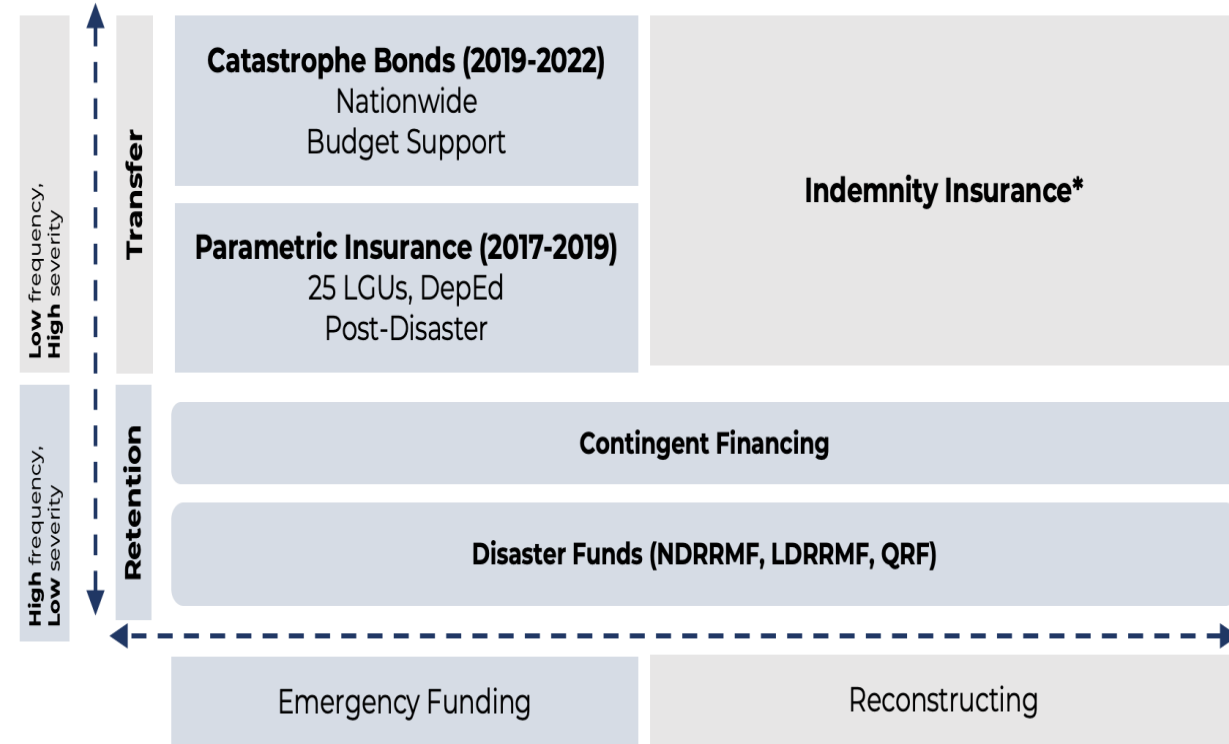
LOCAL LEVEL

To develop sustainable financing mechanisms for local government units, necessary to **provide immediate liquidity** at the onset of a disaster

INDIVIDUAL LEVEL

To **reduce the impact on the poorest and most vulnerable** and **prevent them from falling into a cycle of poverty**, while also shielding the near-poor from slipping back into poverty

Identification of Strategic Policy Goals



Rationale: Retaining all risks would divert funds from key government programs, while transferring all risks would be too costly for government.

Development of Disaster Risk Financing Strategy

PROGRAMS

Continuous learning and development



Learning from the experiences and best practices of our peers, development partners, and sectoral partners and experts



Use of technology to aid and enhance our capabilities – geospatial software, risk models, forecasting and analysis systems.

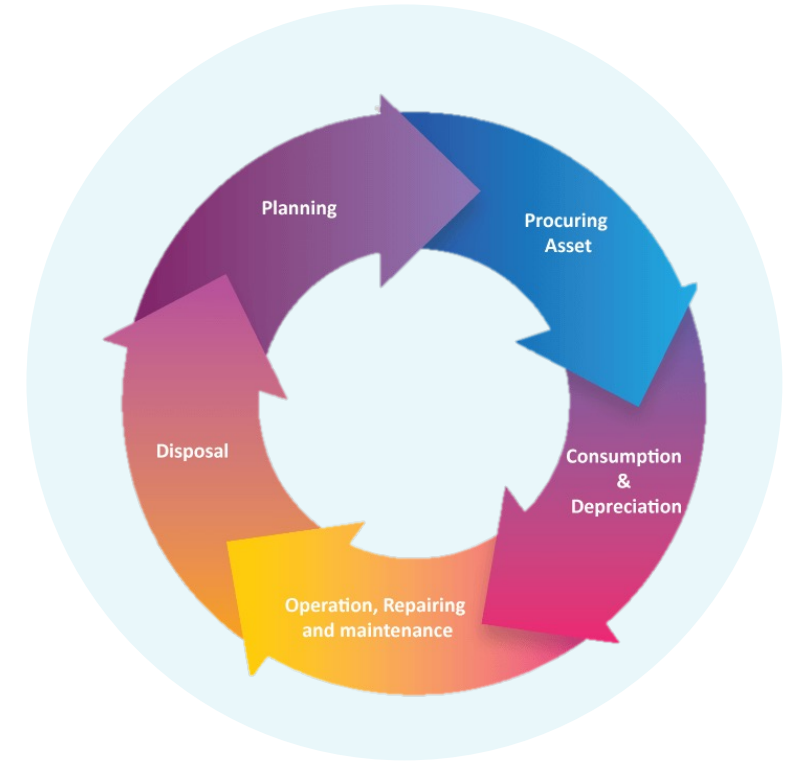
PROGRAMS



RISK TRANSFER MECHANISMS
– CAT Bond
– Parametric Insurance



**NATIONAL ASSET
REGISTRY SYSTEM
(NARS)**



**PHILIPPINE
GOVERNMENT ASSET
MANAGEMENT POLICY
(PGAMP)**

CHALLENGES



**BUDGETARY
CONSTRAINTS**



**LEGAL AND
REGULATORY
FRAMEWORKS**



LACK OF DATA

UP NEXT



**IMPROVING
AGRICULTURAL
INSURANCE
PROGRAMS**



**ENAHNCING
PRIVATE
SECTOR
INVOLVEMENT
IN DRF**



**INCREASING
ACCESS TO RISK
FINANCE**



**RISK POOLED
AND
DIVERSIFIED
RISK TRANSFER
PROGRAMS**

THANK YOU

Image sources:

Slide 2: Encyclopedia Britannica; internally generated; NASA; AIR

Slide 4: Google, Keynote Icon, MS PPT Icon, LinkedIn Icon

Slide 5: Artemis; FlatIcon; Google

Slide 6 and 7: all FlatIcon



Time for questions

Join the Disaster Risk Finance Community!



Disaster Risk Finance
Community of Practice

**Disaster Risk Finance and Insurance
Community of Practice**



**Disaster Risk Finance and Insurance
LinkedIn Group**





Thank You