



## Project Data Sheet

Project 43553-012

Project Name Developing a Disaster Risk Financing Capability

Project Number 43553-012

Country / Economy Regional

Project Status Closed

Project Type / Modality of Assistance Technical Assistance

Source of Funding / Amount **TA 7812-REG: Developing a Disaster Risk Finance Capability**  
Japan Fund for Prosperous and Resilient Asia and the Pacific US\$ 2.00 million

Strategic Agendas Environmentally sustainable growth  
Inclusive economic growth  
Regional integration

Drivers of Change Partnerships  
Private sector development

Sector / Subsector **Finance** / Finance sector development

Gender No gender elements

Description This project will assess potential disaster risk financing (DRF) options for climate-related and geological risk for selected cities in Indonesia and the Philippines in terms of feasibility, demand, and effectiveness. The project is funded through the Japan Fund for Poverty Reduction. It is an outcome of TA 6474-REG: Natural Catastrophe Risk Insurance Mechanisms for Asia and the Pacific, which studied the feasibility of catastrophe risk transfer programs in the region.

Project Rationale and Linkage to Country/Regional Strategy

Traditionally, developing countries have relied heavily on ex post government budget allocations, public borrowing and international assistance to finance their disaster relief, early recovery and reconstruction efforts. This practice has resulted in delays in reconstruction, exacerbating the indirect impacts of disasters. The additional post-disaster pressure on public resources has also had adverse implications for the achievement of long-term social and economic development goals.

Over the past decade, there has been increasing interest in proactive, ex ante financing mechanisms via public-private partnerships (PPP) to help address these issues. These mechanisms allow the participating country to transfer and manage disaster risk via private sector finance and insurance mechanisms before a disaster occurs. They are typically developed with the support of private sector reinsurance and risk modeling companies, which quantify and estimate disaster risk. Ex ante DRF mechanisms complement ex post arrangements, creating a long-term solution for sustainable and timely DRF.

Both Indonesia and the Philippines are highly exposed to both geological and hydrometeorological hazards and disaster risk is expected to increase as a consequence of climate change. The TA will assist two selected cities in each country to develop ex ante DRF mechanisms. The project's urban focus reflects the fact that urban areas face unique and rising disaster risk and climate change challenges and account for an increasing share of both countries' total population and economic productivity, yet have received relatively little attention to date in the development of DRF solutions.

The project will be complemented by additional activities under TA 8012, a subproject under a climate change cluster TA that is also funded through JFPR. This subproject will focus on the development of DRF solutions in two cities in Viet Nam that face hydrometeorological risks.

Impact

The impact of the TA will be greater disaster risk management (DRM) capacity, reduced disaster impacts over time, and enhanced climate resilience.

## Project Outcome

Description of Outcome

The outcome will be strengthened national and urban capacity in DRF in the context of integrated DRM in Indonesia and Philippines.

Progress Toward Outcome

## Implementation Progress

Description of Project Outputs

- (i) Risk profiles and risk models completed and available to Indonesia and Philippines
- (ii) Two DRF projects completed in each country
- (iii) Consultation, training, and dissemination activities completed to increase awareness within Indonesia and the Philippines regarding IDRM
- (iv) Project management units (PMU) established

<p>Status of Implementation Progress (Outputs, Activities, and Issues)</p>	<p>The project activities will be organized around four outputs to achieve the outcome outlined above: (i) risk profiling and risk modeling, (ii) product design and implementation of DRF projects, (iii) awareness raising through consultation, training, and dissemination and (iv) establishment of a project management unit to implement the TA.</p> <p>Status of Operation/Construction or Implementation Progress:</p> <p>The project is being implemented in three phases: Phase 1: development of disaster risk profiles for selected medium-sized urban areas in Indonesia and the Philippines, culminating in the selection of two project cities in each country; Phase 2: development of in-depth hazard and loss models for each city, leading to the identification and development of DRF options tailored to the disaster risk circumstance, capabilities and interests of each one; Phase 3: selection of one DRF mechanism, following an independent review of all Phase 2 options.</p> <p>Consultative Groups:</p> <p>In the Philippines a Project Consultative Group was formed in 2013 to oversee the design and implementation of TA activities, and comprised of the Office of Civil Defense (OCD), Department of Finance (DOF), Department of Interior and Local Government (DILG), National Economic and Development Authority (NEDA), Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA), Philippine Institute of Volcanology and Seismology (PHIVOLCS), Mines and Geosciences Bureau (MGB), and the National Mapping and Resource Information Authority (NAMRIA). In Indonesia a Consultative Steering Committee was formed in 2012, comprised of the National Agency for Disaster Management (BNPB), Ministry of Finance (MOF), National Development Planning Agency (BAPPENAS), and the Ministry of Home Affairs (MOHA).</p>
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Geographical Location      Regional

## Summary of Environmental and Social Aspects

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Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

## Stakeholder Communication, Participation, and Consultation

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During Project Design

During Project Implementation

## Business Opportunities

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The project will require 8 international consultants for a total of 48 person-months on an intermittent basis.

(i) Lead Consultant and Project Coordinator (24 person-months) will take overall responsibility for coordinating and managing other consultants' work and their participation in executing the ADB entry strategy, including close coordination with ADB climate change adaptation specialist.

#### Consulting Services

(ii) 3 technical consultants (4 person-months each) will be responsible for disaster risk assessment, disaster risk financing feasibility and disaster risk financing solution design, and will have specialist knowledge in disaster risk financing and disaster risk management within the Asia-Pacific region

(iii) 3 technical consultants (3 person-months each) will be responsible for production of necessary hazard assessment, mapping and loss modeling that will be required to design DRF solutions

(iv) 1 technical consultant (3 person-months) will be responsible for developing a public private partnership (PPP) strategy for disaster risk financing-climate change adaptation going forward.

Responsible ADB Officer Benson, Charlotte

Responsible ADB Department Sustainable Development and Climate Change Department

Responsible ADB Division SDCD\*

Executing Agencies *Asian Development Bank  
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#### Timetable

Concept Clearance	20 May 2010
Fact Finding	30 Sep 2010 to 06 Jan 2011
MRM	-
Approval	23 May 2011
Last Review Mission	-
PDS Creation Date	25 May 2010
Last PDS Update	20 May 2014

#### TA 7812-REG

#### Milestones

Approval	Signing Date	Effectivity Date	Closing	Revised	Actual
			Original		
23 May 2011	-	23 May 2011	31 May 2014	31 May 2015	25 Nov 2015

#### Financing Plan/TA Utilization

Financing Plan/TA Utilization							Cumulative Disbursements	
ADB	Cofinancing	Counterpart		Project Sponsor	Others	Total	Date	Amount
		Gov	Beneficiaries					

0.00	2,000,000.00	0.00	0.00	0.00	0.00	2,000,000.00	17 Jun 2022	1,701,446.48
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