



## Disaster Risk Insurance Manual (DRIM)

**Creating the Complementation of Disaster Risk Reduction  
and Management and Natural Catastrophe Insurance:  
A Training Guide for MSMEs, Insurers and Governments**

**Application in Five Asian Countries**

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## Abbreviations

CBDRA	Community-based Disaster Risk Assessment
DRIM	Disaster Risk Insurance Manual
DRR	Disaster Risk Reduction
DRRM	Disaster Risk Reduction and Management
DRRMP	Disaster Risk Reduction and Management Plan
FRC	Finance Regulatory Committee
GDP	Gross Domestic Product
GIZ	German Development Cooperation
MFI	Microfinance Institutions
MFPs	Microfinance Providers
MNT	Mongolian Tughrik
MSMEs	Micro Small and Medium Enterprises
NatCat	Natural Catastrophe
NDMA	National Disaster Management Authority
NEMA	National Emergency Management Agency
NGOs	Non-Government Organizations
PMIC	Pakistan Microfinance Investment Company
PMN	Pakistan Microfinance Network
SECP	Securities and Exchange Commission of Pakistan
TAG CBDRM	Technical Assistance Groups Community Based Disaster Risk Committee

## Message from the Program Director

The Training Manual on “Creating the Complementation of Disaster Risk Reduction and Management and Natural Catastrophe Insurance: A Guide for MSMEs, Insurers and Governments” is closely linked with the respective Government’s Policies and Strategies for the implementation of Disaster Risk Reduction and Management Plan (DRRMP) in the five pilot countries. The implementation of a DRRMP is in consonance with the UN member states’ endorsement of the Sendai Framework for Disaster Risk Reduction in 2015. Since then, countries have taken steps in fulfilling support for disaster risk reduction, being fully aware of its importance and the economic consequences of inaction.



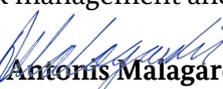
However, the level of experience in responding to Natural Catastrophes (NatCats) is varied across countries. For one, interpretations on disaster preparedness and response is diverse. These are influenced by the form of Government, and its overall role and capacity in responding to NatCats. Some countries view disaster response as a purely Government role linked with the timing of its services, with less private sector intervention, particularly when the major risks impinge upon Government infrastructure and assets. In these cases, the transfer of risks on public assets to local private insurance entities is uncommon. Private sector intervention is often only present in the management of large scale state risks subject for reinsurance in the international markets.

This variety of Government Policy among countries on disaster risk reduction and management contributes to different levels and approaches in managing risks that streamlines to Government programs and community initiatives on mitigation and adaptation. Disaster Risk Reduction and Management Plans reduce the respective hazards from NatCats and contribute to the lowering of residual risks. The multitude of approaches among Governments, affects their level of readiness in addressing the impacts of NatCats. The exposure of counties contributes to the level of priority on disaster risk reduction and management among Mongolia, Nepal, Pakistan, Vietnam and the Philippines.

This country-specific training guide seeks to present a concise form of the different risk coping mechanisms, policies and programs on NatCats in five Asian Countries. It targets different users: Disaster Risk Reduction and Management Agencies as ideal training leads; with national mapping agencies, National and Local Government Units, infrastructure and building standard bureaus, planning and development-related offices, the private insurance sector, small and medium enterprises, etc., as trainees and users.

The manual relates existing disaster risk management plans with the understanding of risks, identification of gaps, documentation of residual risks, and the design of Government disaster risk finance, with private insurance options at the MSMEs level in partnership with licensed private insurance companies.

We hope this training manual serves various clients to respond, contain and further minimize residual risks affecting MSMEs, MFIs and Cooperatives, by formulating a consolidated response through disaster risk management and natural catastrophe insurance.

  
**Dr. Antonis Malagardis**  
**Program Director**

## 1. Context of the DRIM Training

The guide in complementing Disaster Risk Reduction with Insurance is based on the pilot tests of the Disaster Risk Insurance Manual (DRIM) training workshops in Vietnam, Nepal, Pakistan, Mongolia, and the Philippines in 2016-2017. The insights are limited to the composition of participants and their inputs, including the attendees from micro small and medium enterprises.

The cornerstone of the DRIM Training is the pilot country's support to the Hyogo Framework for Action in 2005-2015<sup>1</sup>, or agreement to the Sendai Framework for Disaster Risk Reduction (DRR) in 2015-2030<sup>2</sup>. Country DRR Policies are underpinned by country legislations supportive either to the two international covenants.

- a. Vietnam: The National Government approved in November 2007 its National Strategy for Natural Disaster Prevention, Response and Mitigation to 2020 through Community-based disaster risk reduction<sup>3</sup>. The Strategy is fully anchored on a community-based disaster risk reduction which identified roles for local communities and its facilitators, involving people's organizations and institutions, and officials from the Local, Province and National Government levels. Seventeen local NGOs and international organizations are implementing community-based disaster risk reduction in 23 Provinces in Vietnam since 2008.
- b. Nepal: Parliament endorsed a Disaster Risk Reduction and Management (DRRM) Act in September 2017<sup>4</sup>. Its conceptualization began more than a decade before, in support of the Hyogo Framework for Action 2005-2015. The new DRRM Act will rationalize all disaster risk response, risk reduction, preparedness and management policies, superseding the Natural Calamity Relief Act of 1982, and the Local Self Governance Act in 1999.
- c. Pakistan: The National Disaster Management Authority of Pakistan under the Ministry of Climate Change crafted its National Disaster Risk Reduction Policy<sup>5</sup> in 2013. It was approved by the Pakistan Prime Minister as endorsed by the National Disaster Management Commission on 21 February 2013. The Policy provided an overarching framework for responding to natural catastrophes in alignment with the goals of the Hyogo Framework for Action 2005-2015. It emphasized reducing risks both on life and livelihood streamlined in social, economic, governmental and professional sectors.
- d. Mongolia: Parliament approved the "Law of Mongolia on Disaster Protection<sup>6</sup>" on 20 June 2003 and identified the Prime Minister in the oversight of all activities related to disaster response and management. The law paved the creation of the National

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<sup>1</sup> [http://www.unisdr.org/files/1037\\_hyogoframeworkforactionenglish.pdf](http://www.unisdr.org/files/1037_hyogoframeworkforactionenglish.pdf) (retrieved 19 January 2018)

<sup>2</sup> [http://www.unisdr.org/files/43291\\_sendaiframeworkfordrrren.pdf](http://www.unisdr.org/files/43291_sendaiframeworkfordrrren.pdf) (retrieved 19 January 2018)

<sup>3</sup> [http://www.preventionweb.net/files/11476\\_VietNamNationalForumonDRRampCCA.ppt](http://www.preventionweb.net/files/11476_VietNamNationalForumonDRRampCCA.ppt) (retrieved 19 January 2018)

<sup>4</sup> <http://drrportal.gov.np/document/category/ndrrpsap> (retrieved 19 January 2018)

<sup>5</sup> <http://www.ndma.gov.pk/Documents/drrpolicy2013.pdf> (retrieved 19 January 2018)

<sup>6</sup> [http://www.ifrc.org/docs/IDRL/Mongolia\\_DMAAct\\_2003.pdf](http://www.ifrc.org/docs/IDRL/Mongolia_DMAAct_2003.pdf) (retrieved 19 January 2018)

Emergency Management Agency of Mongolia to undertake Government response on disaster response and management.

- e. Philippines: Republic Act 10121, the Philippine Disaster Risk Reduction and Management (DRRM) Act of 2010<sup>7</sup> outlines the Government's response as well as the responsible Agencies overseeing all related activities. The Department of National Defense chairs the National Council with the Department of the Interior and Local Government as Co-Chair. The Office of Civil Defense is tasked to administer a comprehensive national civil defense and DRRM program.

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<sup>7</sup> [http://www.ndrrmc.gov.ph/attachments/article/45/Republic Act\\_10121.pdf](http://www.ndrrmc.gov.ph/attachments/article/45/Republic_Act_10121.pdf) (retrieved 19 January 2018)

## 2. DRIM Background in Five Countries: Excerpts from the DRIM Training

### Mongolia

Mongolia is a landlocked country with a population of 3 million, half are living in the capital city of Ulaanbaatar. The economy is focused around mining which accounts for 20% and livestock production contributing 30% of the GDP, respectively; with the previous providing  $\frac{3}{4}$  of its agriculture output.

In the last 10 years, an average of about 3,806.1 disaster incidents occurred annually, 220.8 people were killed, and 105.5 billion MNT losses were incurred annually. Disasters include forest and steppe fire, flood, storm, drought, and earthquake. The Government established the National Emergency Management Agency (NEMA) in January 2004 through the unification of three key entities, the State Board for Civil Defence, Fire Fighting Department and State Reserve Agency. The Law on Disaster Protection was renewed in Feb 2017, and the National Programme of Community Participatory Disaster Risk Reduction was developed in 2015.

The German Development Cooperation Regulatory Framework Promotion of Pro-Poor Insurance Markets in Asia (GIZ RFPI Asia) cooperated with the Financial Regulatory Commission of Mongolia (FRC), and the National Emergency Management Agency gathered public, private and civil society groups to implement the training on Bridging the Natural Catastrophes Insurance Protection Gap for SMEs.

The 1.5-day training emphasized the coordination of NEMA, FRC, insurance companies and small medium enterprises (SMEs) on disaster risk reduction planning and management, use of risk data of NEMA to identify the location and type of risks affecting businesses, identify the gaps, and design insurance products that will respond to residual risks.

SMEs located in Ulaanbaatar are at risk of earthquake, while some businesses are affected by flooding that leads to loss of income. The livestock industry is exposed to the risk of dzud, a dry fall season followed by harsh winter causing the death of livestock which is unable to graze. In 2009-2010, Mongolia experienced a severe *dzud* in which 8.5 million livestock, about 20 percent of the country's livestock. As a response, the State Policy on Disaster Protection was developed in 2011. World Bank has developed a catastrophe insurance pool covering dzud using index insurance. The current scheme has been discontinued after pilot due to various reasons.

### Nepal

Natural Catastrophes have caused the death of about 900 people annually in Nepal for the past 45 years. More than 131,000 families have been affected by around 500 disasters yearly. The Gorkha Earthquake of 2015 killed close to 9,000 people, destroyed as much as 800,000 houses and cultural heritages, damaged more than 22,000 school rooms with an estimated loss of USD 9 billion, and impacted on the regular development process and people's livelihoods.

A National Reconstruction Authority has been established in 2015 to lead in managing the recovery, reconstruction, and rehabilitation of the earthquake affected infrastructures and families for five years. The Government of Nepal has formulated a Post Disaster Recovery Framework (PDRF) for the earthquake. On one hand, it also faces Glacier Lake Outburst Floods affecting communities and crops. The frequency and intensity of disasters in Nepal has increased over the past decade.

Nepal has formulated a comprehensive Disaster Risk Reduction and Management Act. It is developing the National DRR Policy and Strategic Action Plan based on its commitment to the Sendai Framework.

## **Pakistan**

Natural disasters seem to be more frequent and reported in recent times. The end result is devastation of communities and lives, especially in the lower socio-economic sphere.

In Pakistan, microfinance is a tool used by MSMEs and households as a means to leverage personal effort to grow household income and improve quality of life. When a natural disaster strikes however, the microfinance providers (MFPs) can be significantly affected and impacted as a result of damage to their client-communities.

Clients' ability to repay loans is affected as they continue down the spiral of further poverty, being unable to revive or rehabilitate themselves. Along with the loss due to potential loan write off and rescheduling, MFPs can lose critical data on their clients and, in some circumstances, lose track of their clients due to migration or internal displacement of disaster-struck communities. This amplifies losses to the MFPs and increases the risk to the survival of the industry.

Due to apparent domino effect of natural disasters, it is in the interest of not only the MFPs for revival strategies, but the government too, who is looking for ways to decrease the fiscal burden, on what is already a strained national budget.

This Toolkit, along with its country diagnostic and the reporting content, is designed to provide a strategy to bring industry stakeholders of the Pakistan's microfinance and insurance industry to collaborate on strategies that can prevent and reduce, mitigate, and develop coping mechanisms against the risks of natural disasters. Through individual and group consultations with the MFPs, the Pakistan Microfinance Network (PMN), the Pakistan Microfinance Investment Company (PMIC), the Securities and Exchange Commission of Pakistan (SECP), and the National Disaster Management Authority (NDMA), a series of activities has been provided, including risk assessment, disaster risk management and mapping, identification of gaps and exploration of disaster risk management options. This has been developed while using the GIZ's NatCat Analytical Framework, published in early 2016.

The endeavour of this effort is to establish enhanced collaboration between stakeholders for alternative insurance and risk mitigation strategies that can lead to a decrease in the impact of natural disasters on the microfinance industry.

## **The Philippines**

The Philippines is identified as the fourth most at risk country from the effects of climate change from 1995-2014<sup>8</sup> and the third most at risk country from natural hazards<sup>9</sup>. The Philippines' Department of Budget and Management estimates that around 2.5% of its Gross Domestic Product is lost to natural catastrophes per year. These damages come from 20 typhoons on average, five of which are disastrous. The Philippines is also exposed to earthquakes being located in the Pacific Ring of Fire. Fifty-five percent (55%) of its land area has a slope above 18 degrees that are prone to landslides due to torrential rains and increasing deforestation. With climate change, and predicted weather becoming wetter in the monsoon season and drier in summer, it is also at risk of floods and droughts.

Micro small and medium enterprises comprise about 99.5% of all businesses in the country, where micro businesses represent 89.9%. The largest proportion – 46.5% is engaged in wholesale and retail trade; and repair of motor vehicles and motorcycles, while the smallest number --- 3.8% are in financial and insurance activities.

The Philippines has enacted Republic Act 10121, the Philippine Disaster Risk Reduction and Management Act of 2010. It mandated the creation of the National Disaster Risk Reduction and Management Council chaired by the Office of National Defense. The act focuses on four pillars: Prevention and Mitigation, Preparedness, Rehabilitation and Recovery, and Response. RA 10121 further enabled the formulation of a National Disaster Risk Reduction and Management Framework and the National Disaster Risk Reduction Plan. The NDRRM Plan became the framework basis for the creation of policies on Climate Change Adaptation & Disaster Risk Reduction and Management.

In 2017, the Philippine Government created another milestone by allocating Government premium subsidy of Php2 billion to provide reinsurance cover to critical public infrastructure of 25 Provincial Governments in the Eastern seaboard, administered through the Government Service Insurance System.

In partnership with the GIZ Regulatory Framework Promotion of Pro-Poor Insurance Markets in Asia (GIZ RFPI Asia II), a DRIM Training was conducted with key Government Agencies responsible for disaster risk reduction and management and the private insurance sector. The training aimed to find ways to complement public and private efforts to reduce risk, including its financial impacts through access to insurance products for natural catastrophes, among micro small and medium enterprises.

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<sup>8</sup> Source: Global Climate Risk Index 2016, Germanwatch e.V.

<sup>9</sup> Source: The WorldRiskIndex 2016

## Vietnam

Natural Catastrophes (NatCats) pose significant threat to the economy of Vietnam. Studies indicate that Vietnam lost at least 1% of its GDP per annum for the period 1989 to 2008 due to NatCats. These losses could escalate in the future as economic growth centers are pooled in specific areas.

Majority of exposed industries belong to Small and Medium Enterprises that comprise more than 90% of its entire business, employing around 80% of the Vietnamese population and contributing over 40% of its GDP.

A survey in 2011 indicated that SMEs are not informed of disaster reduction plans or preparedness. As much as 85% of SMEs have been affected by seasonal storms, 45% by floods and 12% by cyclones affecting losses in more than 60% of SMEs. Of those affected SMEs, 5% were no longer viable, had closed and started another business; 30% were without business for a significantly long period while 43% had small losses.

The GIZ Regulatory Framework Promotions on Pro-Poor Insurance Markets in Asia II (GIZ RFPI Asia II) is working on a Disaster Risk Insurance Manual for MSMEs in the Agriculture and Mining Sectors and will provide training to two of three key stakeholders in Vietnam: The Insurance; and Regulator/Government; Development Organization sectors.

In order to build a focus and action-oriented road map, this workshop analyzes as well documented critical findings, issues and priorities. The activity enhanced the SME's abilities to understand the rationale of accessing financial protection through disaster risk insurance products that are suitable to Vietnam's background. Based on identified priorities, this workshop discussed the role of relevant parties in constructing and carrying out the progress with potential support from business supporting organizations and insurance companies.

### 3. DRIM Training Content

#### 3.1 Introduction

The Introduction has two parts: First, it provides the context for the DRIM training. It presents the rationale for the training, the composition of participants, an overview of the DRIM and its features, the workshop methodology, and the DRIM structure and flow.

*Download [01 DRIMPpt Intro](#)*

The second aspect of the introduction presents the training objectives, the overview of micro small and medium enterprises. The Disaster Risk Reduction and Management approach in Mongolia is included in the second component of the introduction. Lastly, a summary of the four-step analytical framework, its salient points and the value proposition for each is provided.

*Download [02 DRIMPpt Intro 2](#)*

#### 3.2 Risk Assessment

Risk assessment is the starting point in understanding and assessing the degree of exposure among target areas. To design realistic and sustainable mitigation activities, a risk or a number of risks must be documented, its impacts measured, and understood well. Risk assessment in the context of the DRIM determines the inclusive insurance products that will be designed as a response to natural catastrophic events. The identified risk/s and inclusive insurance products must be mutually-feeding. Identified risks define the insurance products, and the latter must directly respond to the specific risks.

Risk assessment is overseen by various Government Agencies in the five countries. The degree of development and institutionalization, and the robustness of systems that enable the assessment of risks vary among the pilot countries. The priority of countries in responding and managing disasters is indicated by the presence of relevant laws and Government policies.

*Download the [03 DRIM Ppt Step 1 Risk Assessment](#)*

#### VIETNAM

In Vietnam, representatives and members of the Technical Assistant Groups of the disaster risk committees (TAG-CBDRM committee) conducted community based disaster risk assessments (CBDRA) in Quang Tri and Quang Ngai province, Central Vietnam in September – October 2017. The assessments were monitored by Government Agencies and all village community groups. Vietnam is affected by floods, storms in the east and south-east provinces, droughts, and salt water intrusion in the southern provinces. The capital and highly urbanized Hanoi, is at risk from earthquakes.

*Download [03 DRRampCCA VN](#)*

## **NEPAL**

Nepal had extensive hazard risk assessment in 2009-2010, prior to the great earthquake in Kathmandu in 2015. It had studied and modelled the impacts of the main risks on people and properties, including for earthquake, flood, drought, diseases and outbreak.

***Download [03 DR and Disaster Risk Management in Small & Medium Enterprises](#)***

## **PAKISTAN**

The National Disaster Risk Reduction Policy of Pakistan indicated low levels of risk awareness and knowledge, particularly in mapping and assessing risks affecting the country. Risk assessment has been done in few areas and covering limited hazards. Standardization of risk assessments is another element that the Pakistani Government is addressing in future efforts.

***Download [Risk Assessment in Pakistan](#)***

## **MONGOLIA**

In Mongolia, the National Emergency Management Agency of Mongolia (NEMA) is responsible for the assessment of various risks affecting 21 Provinces. Livestock herding is the main industry supporting a third of Mongolians. Dzud or a dry summer followed by severe winter killed between 8-10 million livestock in 2010. The capital city of Ulaanbaatar, the focal point of trade and economic activity is also at risk from floods and earthquake. Development organizations have undertaken risk mapping in Mongolia.

***Download [03 OBEG DRIM ENG MN](#)***

## **PHILIPPINES**

Since the Philippines Republic Act 10121 or the National Disaster Risk Reduction and Management Act, risk assessment has been undertaken in highly at-risk Provinces and Cities. The country experiences storms, locally called typhoons, floods, droughts, volcanic eruptions, earthquake, among others. It is ranked most at risk among countries from the effects of climate change in 2015.

***Download [03 DRIM NDRRMP PH](#)***

### **3.3 Disaster Risk Management**

Disaster Risk Management is an inter-agency effort involving local, provincial and national stakeholders from the Government, NGOs and international development organizations. Disaster risk management must directly relate with the risks affecting the identified sector, including within DRIM. DRRM is assessed based on the effectiveness and efficiency of activities for prevention, mitigation and coping.

***Download the [04 DRIM Ppt Step 2 DRM Analysis](#)***

## **VIETNAM**

The Vietnam Community-based disaster risk reduction strategy mobilizes local communities, people's organizations and institutions, NGOs, the local communes and officials from the Province and National Government in responding to NatCats. Vietnam disaster risk reduction focuses on the timeliness of disaster response, and is developing mitigation plans in areas at risk of flood, earthquake, salt water intrusion, and drought.

***Download [03 DRRampCCA VN](#)***

## **NEPAL**

Nepal has organized a Central Natural Disaster Relief Committee composed of a working committee, a relief and treatment committee and the supply and shelter rehabilitation committee. The Nepal Ministry of Home Affairs is the main Government agency that coordinates the country's national disaster response and management with regional, district and local disaster relief committee counterparts.

***Download [03 DR and Disaster Risk Management in Small & Medium Enterprises](#)***

## **PAKISTAN**

The National Disaster Management Commission of Pakistan supervises disaster risk management with the National Disaster Management Authority, Provincial Management Commissions, working with planning commissions and departments in assessing the risks and the indices to determine planning.

***Download [Disaster Risk Management in Pakistan](#)***

## **MONGOLIA**

The Mongolian National Emergency Management Agency oversees Government response to Natural Catastrophes (NatCats) in all twenty-one Provinces in Mongolia, based on the Disaster Law of the Parliament of Mongolia passed in June 2003. It oversees the development of environmental legislation on disaster protection, provision of strategic management, including the evaluation of disaster risk and, implementation of activities on disaster prevention, disaster reduction, and disaster preparedness at all levels. NEMA also manages search and rescue work.

***Download [03 OBEG DRIM ENG MN](#)***

## **PHILIPPINES**

The Philippines Disaster Risk Reduction and Management Act of 2010 ensures the coordination of local-provincial-national agencies in responding to disasters and natural catastrophes. One of the features that define the DRRM Act is its graduation from disaster response, to risk reduction and building-up the community's capacity to bounce forward and expect disasters. It is composed of disaster preparedness, response, prevention and mitigation and rehabilitation and recovery.

***Download [03 DRIM NDRRMP PH](#)***

### **3.4 Gaps Identification**

By nature, a Disaster Risk Reduction Strategy will not eliminate risk, but is designed to minimize hazards and reduce their impacts. The objective of this stage in the analytical framework is to identify the gaps or residual risks that remain following risk mitigation initiatives, to understand whether these risks can still be addressed by further risk reduction activities, or transferred through risk financing. The other objective is to quantify the costs of residual risks or the cost of damage on people and properties of MSMEs. The exercise of costing will provide a glimpse on the possible design of risk transfer mechanism including insurance products.

***Download [05 DRIM Ppt Step 3 Gaps Identification](#)***

### **3.5 Disaster Risk Finance Options**

Documenting and understanding residual risks will link with the design of risk transfer mechanisms including Government Financing for public infrastructure and assets; or insurance options for lives and private properties among MSMEs. The crafting of Disaster Risk Finance options relies on the clear understanding of the remaining risks and their nature on assets, whether owned and maintained by the state; or of private MSMEs, post DRRM.

One of the objectives of the DRIM training workshop is to segregate risks affecting private enterprises owned by MSMEs, from Government assets and infrastructure to support the recovery and rehabilitation of local economies in affected areas. Assets of MSMEs do not stand alone in a given market --- they are closely connected with public infrastructure and governance. However, economic activity does not rely solely upon the existence of public infrastructure. On another end, private entrepreneurs need to invest on private capital, real property, inventory, machines, labour, etc. in a market-driven economy. The emphasis of designing insurance products for MSMEs, linking fully with Government DRRM and rebuilding efforts for natural catastrophes, is the final objective of this training workshop.

***Download [06 DRIM Ppt Step 4 DRI Options](#)***

***Download [07 DRIM Institutional Arrangements](#)***

### **3.6 Conclusion and Next Steps**

The results of the DRIM training has to be synthesized jointly by the Government Agency working on Disaster Risk Management, the Insurance Regulator and related Agencies, to produce a **Comprehensive Disaster Risk Reduction, Response, Management and Risk Financing Strategy**. The Strategy Paper shall focus on the following:

#### **The Status of Disaster Risk Reduction, Response and Management (DRRM)**

The present condition of DRR, the milestones achieved, and impact will set the context for the strategy. It will also include the challenges that affect its formulation or implementation. This component will be finalized with the inclusion of developments and the next steps the Government will undertake within the sector.

#### **Purpose and Objectives of the Strategy**

The purpose of the strategy is to take into account the current DRR Plan and use it to reduce risks affecting MSMEs. The design of insurance products shall cover the remaining or residual risks following the implementation of adaptation, mitigation activities and the Government disaster risk finance scheme.

The findings of the DRIM workshop shall be used to prepare the rationale and the scope of the strategy. The components of the strategy shall focus on the development of the following components:

#### **Risk Assessment**

The strategy paper shall use the findings of the DRIM workshop, to identify Government priorities and supportive policies that promote the implementation of risk assessment with the production of risk maps and hazard maps. Hazard and risk maps should also be made accessible, through publication or online.

#### **Disaster Risk Reduction and Management**

The strategy paper will promote the use of risk assessment, risk maps and hazard maps by Government Agencies in implementing adaptation and mitigation activities benefiting various sectors. Adaptation and mitigation activities should focus on the reduction of natural catastrophe hazards that impact on MSMEs.

#### **Gaps Identification**

The strategy shall identify the limitations due to missing components or priorities that cannot be addressed by adaptation and mitigation activities. The natural catastrophe risks that remain due to these limitations will define the insurance products that will be developed.

#### **DRM Options**

The residual NatCat risks that affect MSMEs shall be used to identify disaster risk insurance products that can be developed by insurance companies.

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## 5. Annex: DRIM Training Workshop Agenda

### Creating the Complementation of Disaster Risk Reduction and Management and Natural Catastrophe Insurance: A Guide for MSMEs, Insurers and Governments

Day / Time	Activity / Topic	Responsible
<b>Day 1</b>		
1:00 – 1:30 pm	Registration	Training Organizer
1:30 – 2:00 pm	Welcome and Opening Remarks	Insurance Regulator  Training Organizer  DRRM Agency
2:00 – 2:10	DRIM Training Overview	Training Organizer
2:10 – 2:30 pm	Disaster risks and Disaster risk management in the Philippines	DRRM Agency
2:30 – 2:45 pm	Four-Step Analytical Framework and Risk Assessment (Presentation A)	Training Organizer
2:45 – 3:00 pm	Coffee Break & Group Photo	
3:00 – 4:00 pm	Group discussion (insurance stream, regulatory stream, and SME stream)	
4:00 – 4:20 pm	Highlights of Group Discussions (5 minutes per group)	
4:20 – 4:40 pm	Disaster Risk Management Mapping (Presentation B)	Training Organizer
4:10 – 4:40 pm	Group discussion (insurance stream, regulatory stream, and SME stream)	
4:40 – 5:00 pm	Highlights of Group Discussions (5 minutes per group) and Wrap up	
<b>Day 2</b>		
8:30 – 9:00 am	Registration	Training Organizer
9:00 – 9:30 am	Day 2 Overview & Day 1 Recapitulation	Training Organizer
9:30 – 10:00 am	Gaps identification (Presentation C)	Training Organizer
10:00 – 10:20 am	Coffee Break	
10:20 - 11:20 am	Group discussion (insurance stream, regulatory stream, and SME stream)	
11:20 – 11:35 am	Highlights of Group Discussions (5 minutes per group)	
11:35 – 11:55 am	Overview of Disaster risk insurance (possibilities & challenges) in the Philippines	Insurance Commission
11:55 – 12:30 pm	Presentation on DRM Options (Insurance) Exploration (Presentation D)	Training Organizer
12:30 – 2:00 pm	Lunch	
2:00 – 2:45 pm	Joint Plenary, led by SMEs	
2:45 – 3:00 pm	Highlights of Group Discussions (5 minutes per group)	
3:00 – 3:30 pm	Insurance as a DRF Instrument: Multi-Level Approach Institutional Arrangements and Policy Issues (Presentation E)	Training Organizer
3:30 – 3:50 pm	Coffee break	
3:50 – 4:10 pm	Institutional Arrangements and Policy Issues	
4:10 – 5:10 pm	Joint Plenary, led by the Training Organizer <ul style="list-style-type: none"> <li>• Next Steps</li> <li>• Who does what?</li> </ul>	
5:10 – 5:25 pm	Wrap-up	
5:25 – 5:45 pm	Closing Remarks	Training Organizer

**Published by:**

Deutsche Gesellschaft für  
Internationale Zusammenarbeit (GIZ) GmbH

**Registered offices:**

Bonn and Eschborn, Germany

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Markets in Asia (RFPI Asia)**

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**As of**

May 2018

**Design and Layout:**

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**Photo credits/sources:**

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URL links:

[www.mefin.org](http://www.mefin.org)

GIZ is responsible for the content of this publication.

On behalf of the

German Federal Ministry for Economic Cooperation and Development (BMZ)

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