

Sponsored by the Government of Japan

OECD-ADB Institute Seminar on Disaster Risk Financing in Asia

Agenda

24 June 2016, 9:30-17:45
Tokyo, Japan

This seminar targets policymakers and regulators from ministries of finance and insurance regulators in Asia as well as representatives from the private (re)insurance sector. It aims to build on past seminars on disaster risk financing by outlining the key elements in the development of an effective disaster risk financing strategy and sharing specific country experience in terms of the development of such strategies. The seminar also builds on work by the OECD and other international organisations in terms of addressing particular challenges related to the financial management of flood risk as well as options for managing exposures related to public sector assets.

This seminar follows up on discussions of these issues in recent years organised by the OECD in partnership with other international and regional organisations, including an APEC seminar on disaster risk financing in Indonesia in 2014 and a [Global seminar on disaster risk financing](#) in Malaysia in 2015.

23 June

17:45–20:00 **Joint dinner reception for participants of Insurance and Retirement Saving Roundtable and Disaster Risk Financing Workshop**

Venue: Kazan Kaikan, Peony & Lounge Room
3 Chome 2-1 Kasumigaseki, Common Gate Building 37F, Chiyoda, Tokyo

24 June

9:00–09:30 *Registration of participants*

09:30–10:00 **Opening Session: The financial management of disaster risks in Asia-Pacific**

Opening address **Rintaro Tamaki**, OECD Deputy Secretary-General

Noriyuki Mita, Deputy Vice Minister for International Affairs, Ministry of Finance, Japan

Naoyuki Yoshino, Dean, Asian Development Bank Institute

10:00–11:30

Session 1: Designing a disaster risk financing strategy

Topics

The effective management of disaster risks is a key public policy challenge for governments around the world, particularly those faced with significant exposures to such risks and/or limited capacity to manage the financial impacts of natural and/or man-made disasters, such as natural hazards, terrorist attacks, industrial and technological accidents, and pandemics (amongst others). This session will explore the elements of a disaster risk financing strategy, including the data needs for quantifying disaster risk exposures, measures to support the insurability of disaster risks and the capacity of the insurance market to underwrite such risks, and strategies for minimising economic disruption and managing public sector exposure to disaster risk.

- Understanding exposure to disaster risk is a prerequisite to the effective financial management of those risks. What kind of data is needed for quantifying disaster exposures? How can countries build the necessary capacity to collect this data? What contribution can the (re)insurance sector make to gathering and analysing this data?
- In many countries, a key challenge to managing the financial impacts of disasters is a lack of broad property insurance coverage. What can governments do to facilitate the expansion of coverage in countries with more limited insurance markets? What kind of approaches can most effectively balance the need to provide support without crowding out the development of viable private coverage?
- Governments are exposed to disaster risks in terms of the costs of recovery, reconstruction of public assets and compensation and financial assistance to those affected. What tools are available to governments for managing these risks? What are the benefits (and costs) of transferring some of those risks to international capital and/or reinsurance markets?

Moderator

Leigh Wolfrom, Policy Analyst, Directorate for Financial and Enterprise Affairs, OECD

Speakers

Kazuya Fujimura, Vice-President and Managing Director, AIR Worldwide

Roland Nussbaum, CEO, Mission Risques Naturels

Orsalia Kalantzopoulos, CEO, Europa Reinsurance Facility Ltd.

Olivier Mahul, Global Lead and Program Manager, Disaster Risk Financing and Insurance Program, World Bank Group

11:30–11:45

Coffee break

11:45–13:15

Session 2: Country case studies – the development of disaster risk financing strategies

Topics

A number of countries in the Asia-Pacific region have developed disaster risk financing approaches aimed at enhancing the level of financial protection across segments of society, including both national and sub-national governments and households, and limiting the economic disruption resulting from disaster events. This session will examine the

experience in developing these approaches.

- What are the main drivers behind the commitment to invest in the effective financial management of disaster risks? What are the main objectives to be achieved (e.g. reduce risks to public sector, incentivise risk reduction, etc.)? What elements of a disaster risk financing strategy required the greatest effort to achieve (i.e. quantification of exposures, development of insurance coverage for private losses, financial assistance to limit economic disruption, management of government exposures)?
- What are the main challenges and impediments to developing a disaster risk financing strategy? How important is strong centralised leadership in pushing forward a commitment to the effective financial management of disaster risks? What kinds of investments in capacity building are necessary to overcome those challenges? What are the benefits (and costs) of leveraging the expertise and capacity of the scientific and academic community and/or the (re)insurance sector?
- What benefits (and costs) can be generated as a result of investing in the effective financial management of disaster risks (e.g. improved access to capital markets, reduced disruptions to public finances/development plans, etc.)?

Moderator

Arup Chatterjee, Principal Financial Sector Specialist, Asian Development Bank

Speakers

Noriyuki Mita, Deputy Vice Minister for International Affairs, Ministry of Finance, Japan

Nguyen Thu Thuy, Specialist, Department of Public Property Management, Ministry of Finance, Viet Nam

Discussants

Kenrick Law, Regional CEO for Asia, Allianz Reinsurance

Thomas Kessler, Head of South East & East Asia, Swiss Re Global Partnerships

13:15–14:15

Lunch break

14:15–15:30

Session 3: Managing public asset exposures

Topics

The reconstruction of public assets and infrastructure is usually the largest cost to governments in the aftermath of a disaster event. Enhancing the financial resilience of infrastructure *ex ante* through the use financial protection tools such as insurance and government pooling arrangements can make a significant contribution to enhancing the overall financial resilience of the public sector against disaster risks. This session will look at experience and best practices in terms of the financial management of infrastructure exposure to disaster risk.

- What information is needed to assess the exposure of public assets to disaster risk? What approaches can be taken to collecting and analysing the necessary data? How important are costs related to the disruption of public services or infrastructure in overall economic costs?
- What tools are available to manage financial exposure related to public assets? What needs to be considered in assessing the relative

costs and benefits of risk retention relative to risk transfer?

- What is the role of national governments in ensuring effective management of public sector exposures at local levels? Is there a role for government in ensuring sufficient financial resilience in privately-operated critical infrastructure?

Moderator **Wawan Juswanto**, Senior Economist and Special Adviser to the Dean, Asian Development Bank Institute

Speakers **Leigh Wolfrom**, Policy Analyst, Directorate for Financial and Enterprise Affairs, OECD

Brahmantio Isdijoso, Director of State Financial Risk Management, Ministry of Finance, Indonesia

Vincent Eck, Head (Asia-Pacific), Swiss Re Global Partnerships

15:30–16:00

Coffee break

16:00–17:30 **Session 4: The special case of flood risk**

Topics

Flooding is one of the most common, wide-reaching and destructive natural perils. Significant portions of countries' populations, including in Asia-Pacific, currently live in areas prone to flooding, including in mega-cities that are expected to grow substantially in coming years. This session will explore the unique challenges related to the financial management of flood risk.

- What are the relative merits of investing in prevention, preparedness and financial protection against flood risk? Are there limits to the contribution that each of these types of investments can make? How should the relationship between different types of investments be considered when evaluating different financial management options?
- What is the extent of coverage for flood risk in Asian insurance markets? What are the main barriers to broader coverage? Is there a role for government in facilitating access to flood insurance?
- What is the role of cities in managing flood risk? What approaches can cities use to manage the financial impacts of floods? Does rapid urbanisation present an opportunity for cities to take greater responsibility for the management of flood risks?

Moderator **Shaun Wang**, Professor of Actuarial Science, Nanyang Business School and Director, Insurance Risk and Finance Research Centre (IRFRC), Nanyang Technological University

Speakers **Wolfgang Kron**, Head of Research for Hydrological Hazards, Munich Re

Kenzo Hiroki, Sherpa to the UN-World Bank High Level Panel on Water

Raj Cherubal, Director – Projects, Chennai City Connect (India)

17:30–17:45

Concluding remarks

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Rintaro Tamaki, OECD Deputy Secretary-General

Bokhwan Yu, Deputy Dean, ADB Institute

Requests for further information should be addressed to
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