

Keynote Address: ASEAN High-Level Course on

Disaster Risk Financing and Insurance

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Distinguished participants

Ladies and gentlemen

Good evening

First of all, on behalf of our Deputy Secretary General, I would like to welcome the participants from all ASEAN member states to this ASEAN High-Level Course on Disaster Risk Financing and Insurance. I would also like to express my appreciation to the organizers of this course, the ASEAN Disaster Risk Financing and Insurance (ADRFI) Program, GIZ, and the Swiss Re. We are pleased to see that this High Level Course is organized to serve as a capacity building program for the ASEAN authorities and government officials to strengthen their capability in advancing and implementing sovereign risk financing and risk transfer solutions against natural catastrophes.

Distinguished participants

Ladies and Gentlemen

As you may already aware of, the ASEAN Cross-Sectoral Coordination Committee (ACSCC) on Disaster Risk Financing and Insurance was established in 2013 to overlook and facilitate the implementation of the ASEAN DRFI Roadmap. This Roadmap was jointly developed by ASEAN Finance Deputies Meeting, ASEAN Insurance Regulators Meetings, and ASEAN Committee of Disaster Management. The ASEAN DRFI Roadmap emphasizes the use of ex-ante financing options and risk transferring mechanism at both national and regional strategies. This is to enhance the scope of disaster risk management in order to improve social and economic resilience to disaster. Thus, this is why all of us are here for this course to ensure the effective implementation of this Roadmap.

Ladies and Gentlemen,

ASEAN has experienced a total of 789 disasters from 2000-2016, which covered a wide range of disaster risks such as monsoon and cyclonic storms, earthquake, volcanic hazards, floods, and other hydro-meteorological disasters. All these natural hazards have pushed the Southeast Asia highly vulnerable. Over the same period, more than 350 million people have died from disasters, mostly from earthquake and storms which accounted approximately for 185,000 people and 160,000 people, respectively, or almost 60 percent of total fatalities from disasters worldwide. Economically, the direct damage by natural disasters costed USD 98 billion, with USD 56 billion went to flood, USD 26 billion went to storms, and USD 13 billion went to earthquake. On average, losses related to natural disasters cost the

region more than USD 4.4 billion per annum over the last decade, which is equivalent to 0.2 percent of ASEAN's regional GDP. This globally shared trend of rising economic losses is estimated at an average of USD 250-300 billion each year. The region's risk of disaster therefore can no longer be treated as an exogenous factor in its pursuit of sustainable growth and development.

Moreover, the disaster risks are expected to continue to rise as exposure and vulnerability to natural hazards remain relentless due to uncontrolled urbanization and unplanned urban growth and development. The ASEAN countries will still face economic and social challenges from these natural disasters as this deadly mixture of population growth, urbanization, and economic growth continues and more people and assets become exposed to the natural hazards.

Distinguished participants,

Ladies and Gentlemen,

Given all these circumstance, I would like to take this opportunity to reemphasize the importance of the ASEAN DRIF Program. The Program is a multi-sectoral cooperation on disaster risk financing and insurance to prepare the ASEAN member states for any possible disasters and to cope with severe exposure to the range of hazards and potential catastrophic losses in the region. The first phase of the Program focuses on capacity building of the region and of the ASEAN member states (AMS) in regional disaster financing and insurance mechanism.

Three components are designed in line with the Program's focuses, namely, risk information, assessment and modeling, public policy development in disaster risk financing and insurance, and knowledge management in DRFI. Our high-level course organized from 10-12 May thus is a part of the component three. As DRFI is a relatively new topic to ASEAN, training and capacity building are essential building blocks to ensure the effective implementation of the ASEAN DRFI Roadmap in all members. In addition to this high-level course, the ASEAN DRFI Program is currently conducting a capacity and training need assessment where the results of this assessment will be utilized as a basis to develop a long-term training program on DRFI for ASEAN. Together, under this component, communications and DRFI advocacy are included to enhance understanding in DRFI across the region. A strategic communications plan has also been drafted to targeting specific groups of end-users/stakeholders for a more effective advocacy and information campaign. All in all, the ADRFI Program has put a lot of efforts to strengthen AMS capacity and prepare them for potential natural disasters in order to guarantee the social and economic resilience in the region.

Ladies and Gentlemen

Before letting myself stand in between you and your dinner, I would like to encourage deeper cooperation in disaster risk financing and insurance in ASEAN through all of you. It is very important that all ASEAN member states recognize the significance of ADRFI in dealing with these potential catastrophic losses and pursue efficient disaster management in ASEAN. The ADRFI program is designed to be undertaken in phases. Moving forward, Phase 2 aims to improve capacities of AMS in mitigating disaster and climate-change risks as

well as managing disaster impacts through risk assessment and modeling and development of enabling institutional and policy frameworks supportive of risk financing and insurance solution at both national and regional levels. For Phase 3, the establishment of cost-effective risk transfer program of ASEAN will be pursued. All of these initiatives are to boost the financial resilience of ASEAN member states and the long-term sustainable economic development in the region.

Distinguished participants,

Ladies and Gentlemen,

Finally, I wish you all a pleasant and fruitful discussion in all upcoming sessions through this high-level course. I hope this course will be useful to you and you will later be able to utilize the knowledge you gain from here back in your country to further strengthen the disaster management and disaster financing mechanism for your economy's and for the region's prosperity.

Thank you very much.