

**Welcome Remarks of Asec. Paola Alvarez for the ASEAN High-level Course on  
Disaster Risk Financing and Insurance**

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**New World Manila Bay Hotel, Manila**

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Dear Colleagues, Distinguished Guests, Ladies and Gentlemen, it is a pleasure to welcome you all to Manila for the ASEAN High-level Course on Disaster Risk Financing and Insurance (DRFI). I cannot further stress the importance of DRFI initiatives such as this course, given the vulnerability of the ASEAN region to natural disasters. The ASEAN region, unfortunately, seems to face the risk from just about every form of natural disaster, be it earthquakes, volcanic eruptions, typhoons and flooding. As these risks are realized, it has been found to be costly for the region. The Center for Research on the Epidemiology of Disasters-International Disasters Database has once recorded, that the region accounted for almost 60% of total economic losses from natural disasters. The World Bank, meanwhile, has estimated that natural disasters shed off about 1 percentage point in the annual growth rate of economies in the region. With the worsening climate change, we have a heightened concern for natural disasters as climate change lowers the gaps of occurrences while also increasing their magnitudes. This is potentially harmful for the region given that ASEAN is heavily reliant on agriculture and also has a high dependence on natural resources and forestry.

As the frequency of natural disasters in the region has gone on the rise, and the impact becoming more severe, many economies in the region have taken efforts to address the damage caused by natural disasters. Disaster preparedness to minimize costs and casualties has been included as a major initiative by the Philippines' current administration. The Department of Finance contributes to this initiative, by seeking cooperation and partnerships across its neighbours, who are similarly affected by disaster risk. Efforts by the Department include our Chairmanship of the ASEAN Working Group on DRFI as well as the APEC Working Group on Disaster Risk Financing Solutions. At the same time, the Philippines, in the aftermath of Typhoon

Haiyan, has developed a DRFI Strategy whose major aim is to provide the resources for immediate response and rehabilitation, and securing continuity after the occurrence of natural disasters. Meanwhile, some ASEAN economies such as Cambodia, Laos, and Myanmar, have looked to sharing the burden of natural disasters, through partnerships that aim for the creation of a regional catastrophic risk pool.

It is very encouraging for us to find that there are courses such as the one we have, to support the above efforts to mitigate the impact of natural disasters. This course will look into the importance of ex-ante risk financing and risk transfer measures at the national level, which provides motivation for the creation of resources for timely emergency response and build-back-better programs. This course will also focus on the building blocks for an effective DRFI strategy, which is understanding a country's disaster risk and climate risk, as well as, risk assessment and modelling. Lastly, this course will also pay attention to the development of a regional risk pool for ASEAN to secure the region's growth and development, and the region's cooperation efforts in DRFI under the ASEAN DRFI Programme.

A good number of unfortunate events have already shown us how natural disasters pose a great threat not only to our economies, but to the lives and livelihood of our people. It is easy to understand this by recalling the damage left by Typhoon Haiyan in Eastern Philippines, the flooding in Bangkok, and the earthquake in Aceh, Indonesia. This creates urgency for us to move forward and take concrete steps in developing mechanisms to make us more resilient against natural disasters. May our discussions and cooperative efforts in this course contribute towards that goal.

A pleasant evening to you all and welcome to Manila!