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Policy Dialogue on Private Investment in Disaster Risk Reduction for Resilience

उत्थानशीलताका लागि विपद् जोखिम न्यूनीकरणमा
निजी लगानी विषयक नीति संवाद कार्यक्रम

June 12, 2023

Hotel Himalaya, Lalitpur



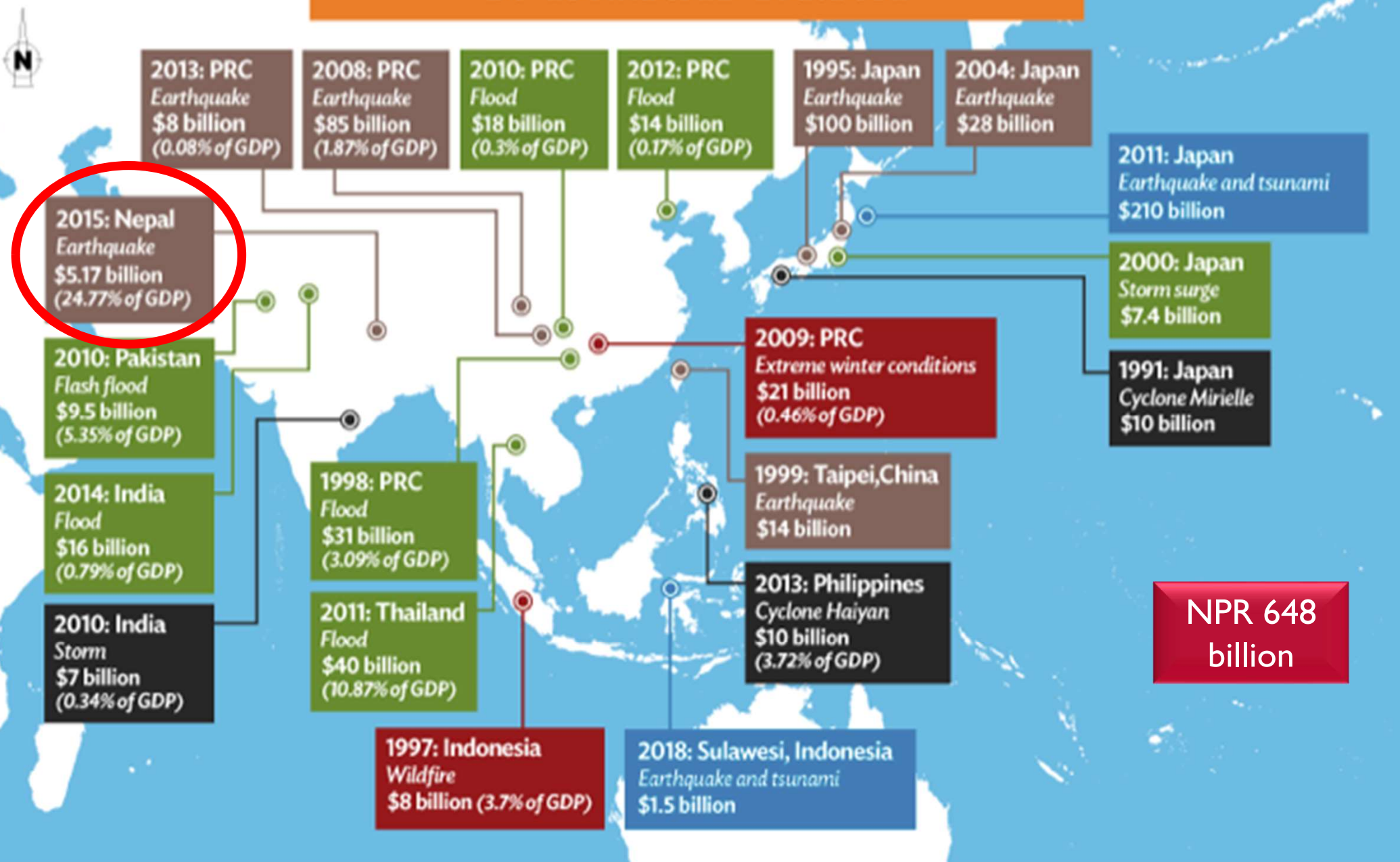
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Suman Shakya
Advisor, Private Sector Engagement

The 2015 earthquake in Nepal was one of the world's most devastating disasters

BY ESTIMATED DAMAGE

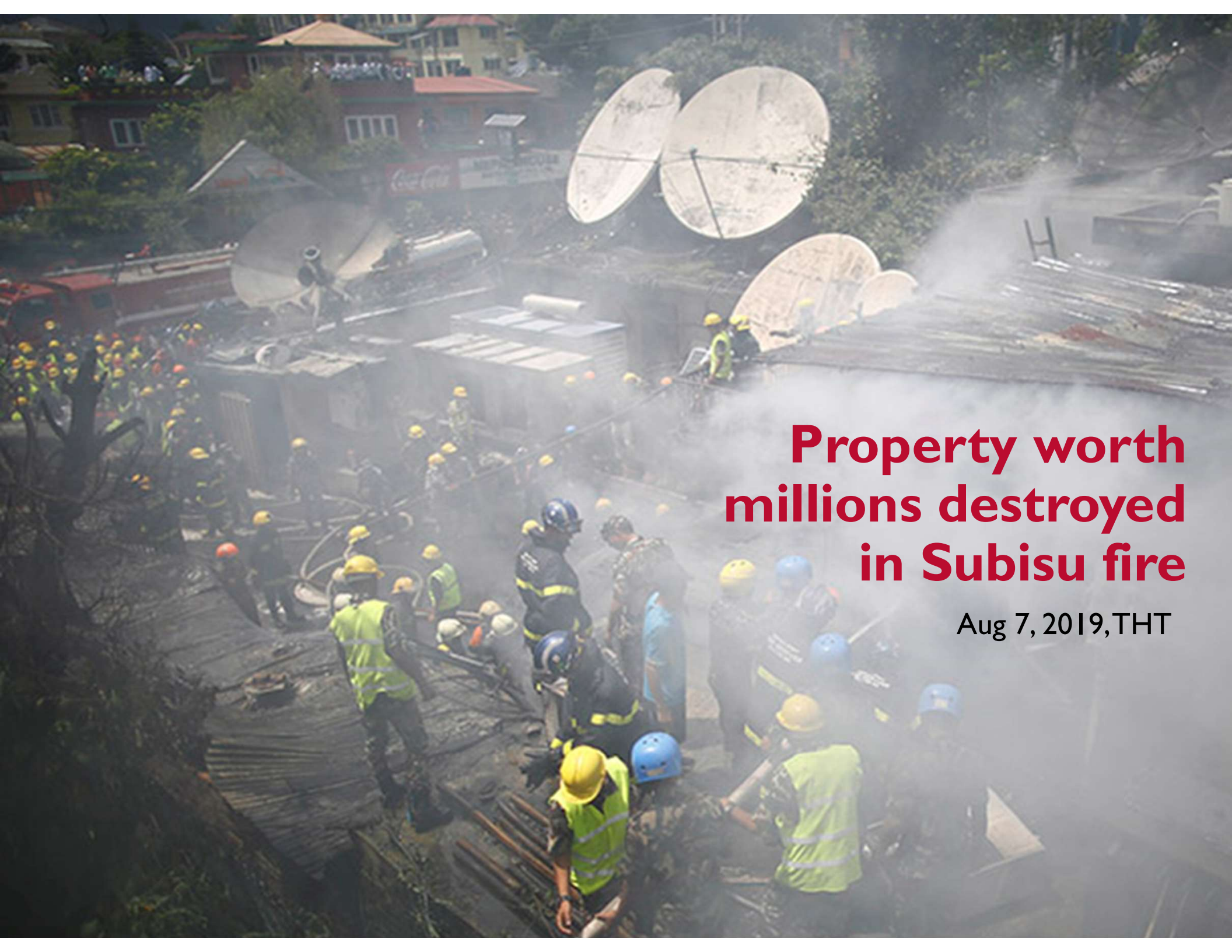


NPR 648 billion

Nepal's Economy Will Take Years to Recover From the Deadly Earthquake

April 28, 2015, TIME





Property worth millions destroyed in Subisu fire

Aug 7, 2019, THT

Hetauda Cement's losses jump fivefold as virus hits construction and sales

Aug 24, 2020, TKP



Impact of COVID-19 on Nepali Businesses

- Nepal Rastra Bank survey
- June 2020 – only 4.1% of business completely operational. Increased to 54% – Nov 2020
- April 2021 – 81.2% resumed operation but at 60% of their capacity
- Businesses struggled to meet their operational expenditures due to the fall in market demand

NRB survey - 674 industries in 52 districts - June 2020, Nov 2020, April 2021

M/SMEs in Nepal

- **98%** of industrial establishments
- **57%** employment (1.7 million)
- **22%** of GDP

Source: World Bank – SME report 2020 / MOF 2016 Economic Survey



FEMA - Federal Emergency Management Agency

Silicon Valley Bank

**Silicon Valley bank
collapsed due to a lack of
risk management**

March 15, 2023 | Himel Sanchar



A photograph of a man in a blue tank top and purple shorts pushing a wooden cart on a hot street in Nepal. He has a checkered cloth draped over his head and shoulders. The street is lined with multi-story buildings and parked motorcycles. The scene is bright and sunny, indicating a heat wave.

Heat wave scorches central and eastern Tarai

June 6, 2023 | TKP

Photo: Suman Nepali

Bottomline

- Majority of nation's **critical infrastructure** are managed by the private sector. It has **resources** essential to emergency management, logistic capabilities, etc.
- Though the private sector has been **generous** with funding support after disasters, businesses in Nepal are themselves **not ready** to cope with natural and human-induced disasters
- USD 1 invested in resilience **saves USD 4-7*** in response
- Only **few** Nepali businesses have preparatory mechanisms to withstand the impacts of a disaster

Policy dimensions to consider

The Government and CSOs should **develop long term relationship** with the private sector and consider them as **trustworthy partners**

1. Philanthropic initiatives (CSR - disaster preparedness)
2. To encourage investment in disaster resilience for advocacy and raising awareness
3. Businesses with strong risk management programs can reduce their disaster losses seven-folds. Encourage **Business Continuity Management – BCP**
4. Allow businesses to **seek opportunities** in dealing in disaster resilient products and services
5. Successful initiatives to prepare, support, and become disaster resilient **must be encouraged, shared and recognized**

Ncell starts providing early disaster warning

July 25, 2016, TKP

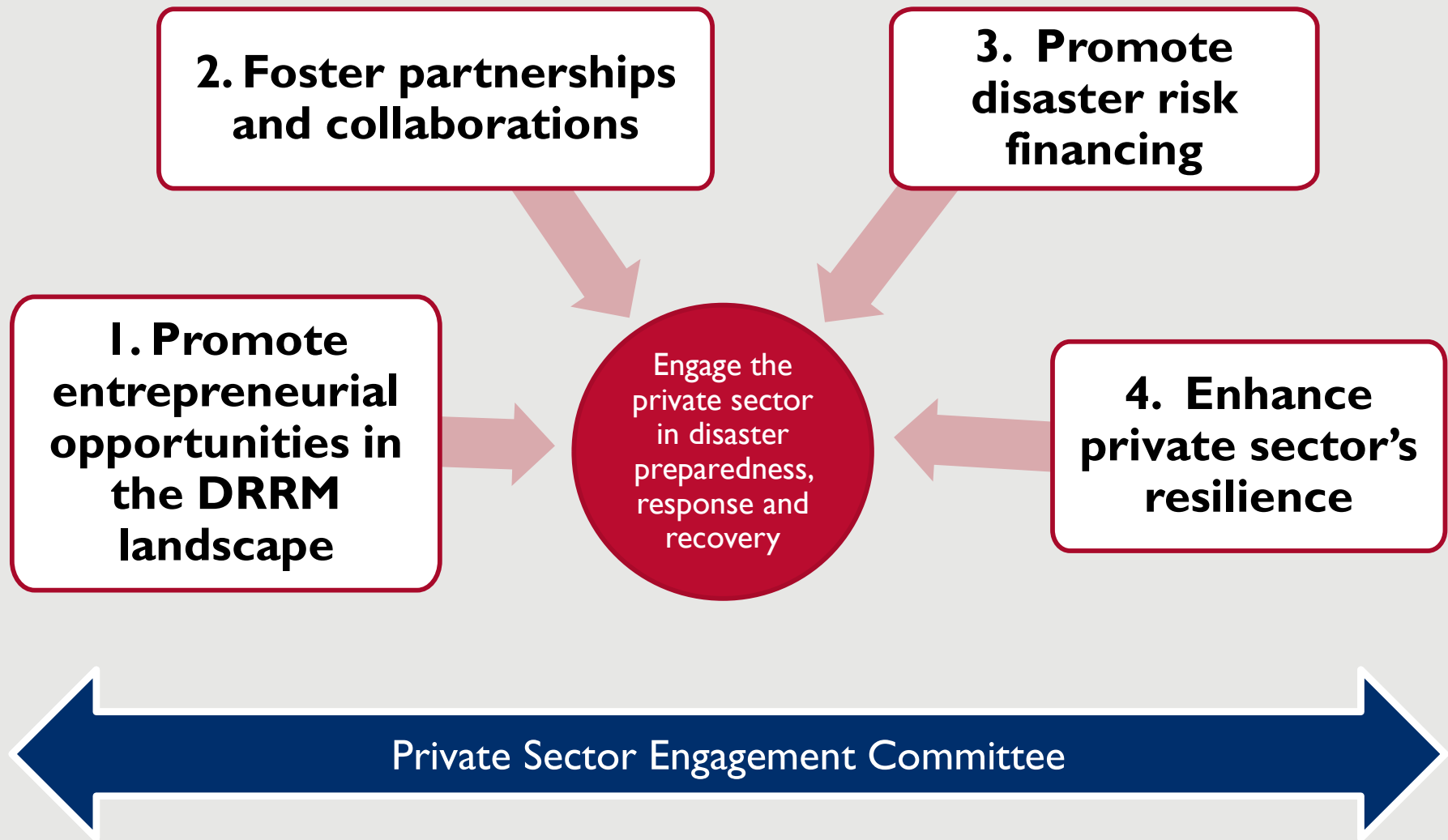


Here for good

Standard Chartered  स्ट्याण्डर्ड चार्टर्ड

**Started making BCP in Nepal in 2001
after earthquake in India**

Tayar Nepal's Approaches to Private Sector Engagement

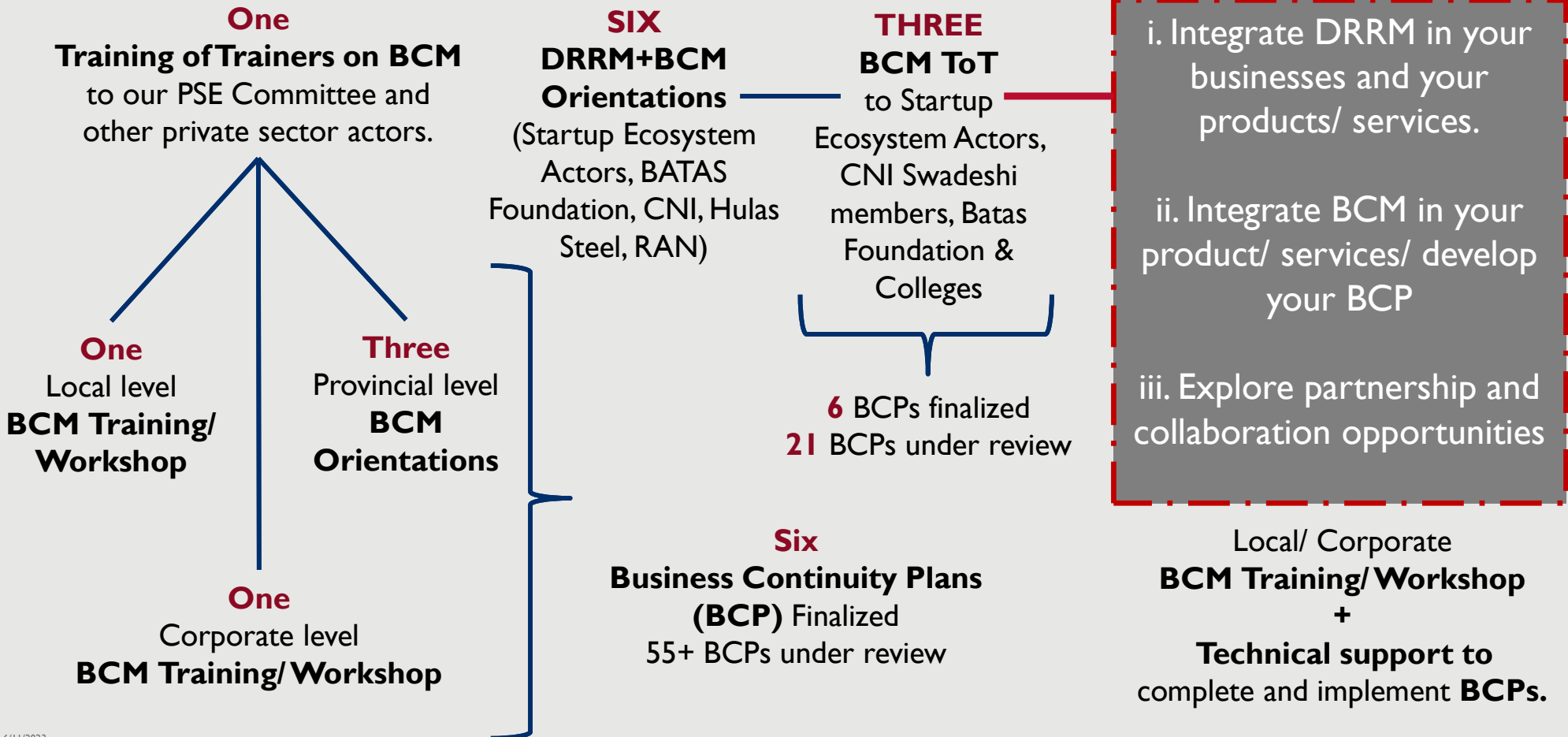


Orientation/ Training/ Workshops
Business Continuity Management (BCM)

Increasing their capacity in DRRM through technical knowledge, peer-to-peer learning, and adoption of best practices

Completed

Planned



Building partnership

- Three events conducted to build stronger relationship with the private sector
- Agreements with major private businesses houses and leading Associations to facilitate and commit investments in disaster resiliency



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Well thought out policy
will encourage Private Investment
in Disaster Risk Reduction for Resilience!

THANK YOU