### A BRIEF PRESENTATION REGARDING POLICY DIALOGUE ON:

### Private Investment in Disaster Risk Reduction for Resilience

Organized by: **DPNet and USAID/Tayar Nepal** 

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# Four Reasons: Why Private Investment in DRR?

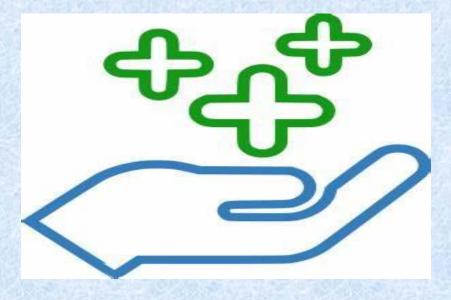












### Five Major Problems on DRR/M

- Reactive Approach: DRRM efforts mostly focused on emergency response and relief rather than on preparedness
- 2. Lack of adequate collaboration across sectors
- 3. No proper utilization of CSR funds
- 4. Lack of proper guidelines and stimulus from the government
- 5. Lack of awareness regarding disaster risk financing instruments (e.g., insurance, micro-insurance, risk pools, contingency fund, parametric insurance/ whether derivatives, catastrophe bonds, PPPs, etc.)

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# What can the private sector do in DRR for resilience?

- 1. Building DRR resilient infrastructure
- 2. Risk assessment and management for self & others
- 3. R & D for early warning systems, remote sensing technologies, resilient building materials, etc.
- 4. Insurance and risk transfer
- 5. Supply chain resilience plans & policies
- Utilization of CSR funds in community-based DRR programs
- 7. Advocacy and knowledge sharing
- 8. Collaboration with communities, government, NGOs, etc. (in awareness building, research, investment, etc.)

### Scope for Private Investment/ Engagement in DRR/M

#### Pre-disaster Stage

- Establish a private-sector-led multi-sectoral platform on DRRM
- Raise awareness on DRRM at national and local levels
- Establish early-warning systems via. collective efforts
- Develop disaster prevention plans
- Provide training to community people and employees
- ✓ Undertake projects to protect properties (e.g., river bank protection)
- ✓ Follow relevant codes (e.g., building code) and inclusiveness criteria (e.g., differently-able people friendly) in building infrastructures
- ✓ Donate various tools & equipment in disaster-prone areas
- Maintain and update risk data
- ✓ Use DRF instruments (insurance, <u>risk pools</u>, etc.) for self and others

## Scope for Private Investment/ Engagement in DRR/M

#### Disaster/Emergency Stage

- ✓ Contribute to evacuation, rescue efforts, first aid, and in the supply of food, clothes, and medicines in coordination with government, local youths, humanitarian organizations, NGOs/INGOs, etc.
- ✓ Provide excess inventory and near-expiry medicines in emergencies
- ✓ Make necessary arrangements for temporary shelters/ tents etc.
- Help local government and other stakeholders in damage assessments
- Reduce possible losses in the workplace by using appropriate equipment and established procedures
- ✓ Evacuate, rescue, provide first aid/medical assistance as well as relief materials for employees, etc.

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# Scope for Private Investment/ Engagement in DRR/M

#### Post-disaster Stage

- Engage with the government in the policy formulation process on DRRM (not only in the post-disaster stage)
- ✓ Help the affected communities in the restoration of basic facilities and reconstruction/renovation of damaged infrastructure
- ✓ Define local priorities, provide job opportunities, and engage vulnerable people in the firm's VCA to reduce their vulnerability
- ✓ Assist in providing credit facilities at subsidized rates to the disasteraffected community people/ employees
- √ Reforestation
- Provide psycho-social counseling and required support to disasteraffected employees and their families, etc.

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#### The Road Ahead:

For the Government and Policymakers (to ensure proper utilization of CSR funds in DRR)

- Broaden the scope of mandatory CSR (i.e., integrate CSR provisions in the Company Act itself)
- 2. Impose conditions to allocate a certain amount in DRR-related and other areas (within the CSR budget) based on national priorities.
- 3. Use informational (sermons), fiscal-economic (carrots), partnering (ties), and hybrid (adhesives, such as CSR discussion platforms) policy instruments in addition to legal instruments (sticks).
- 4. Develop SOP for private sector engagement in CSR/DRR for clarity and consistency (including implementation and reporting guidelines)
- 5. Collaborate with other sectors (e.g., private sector and NGO/INGOs) in establishing an independent agency for <u>data management</u>, <u>rating</u> and <u>rewards</u>.



### **Thank You!**