

**A BRIEF PRESENTATION REGARDING  
POLICY DIALOGUE ON:**

# **Private Investment in Disaster Risk Reduction for Resilience**

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

Facilitated By:  
**Bal Ram Chapagain, PhD**  
Asst. Professor, Tribhuvan University



# Four Reasons: Why Private Investment in DRR?



# Five Major Problems on DRR/M

1. **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.)

# 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**
6. **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, **risk pools**, 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.

# 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 disaster-affected community people/ employees
- ✓ Reforestation
- ✓ Provide psycho-social counseling and required support to disaster-affected employees and their families, etc.

# The Road Ahead:

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

1. **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 data management, rating and rewards.



**Thank You!**