

APFF Caucus Meeting  
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**Paper 6-A**

APFF Caucus Meeting / ABAC FEWG

## APFF Work on Disaster Risk Financing and Insurance

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### APFF's Proposal on Disaster Risk Financing

*From APFF's "2015 Progress Report to the APEC Finance Ministers"*

- a. Developing sound financial and insurance markets
- b. Enhancing disaster risk evaluation through the use of data
- c. Raising public awareness on disaster risk
- d. Steering investment to upgrade disaster resilient infrastructure
- e. Knowledge sharing to prompt actions among APEC economies
- f. Public-private collaboration

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## Cebu Action Plan

### “3B. Disaster Risk Financing and Insurance”

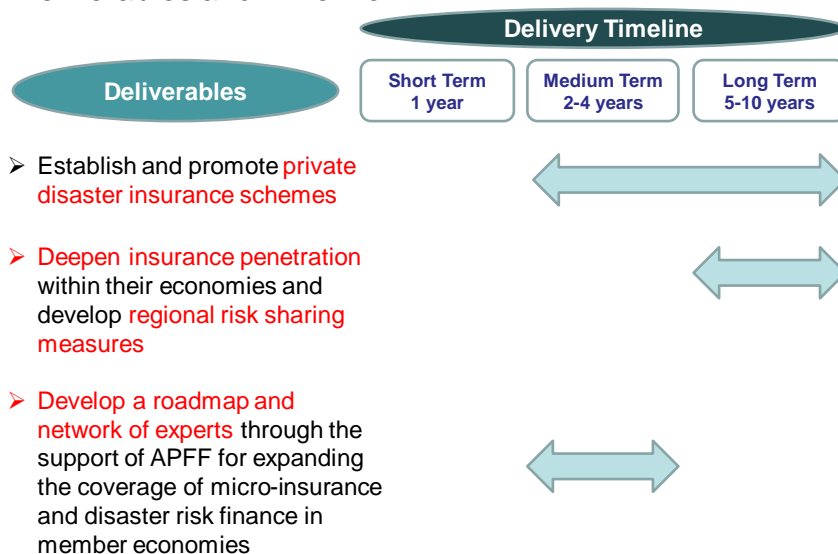
- a. Assess needs from private insurance companies, **collect disaster data**, and study the possibility of constructing disaster risk data base
- b. **Research** on the status of development of disaster risk data and insurance systems among economies
- c. Encouraging APEC economies to establish **private disaster insurance systems** among economies
- d. Development of **Disaster Risk Exposure Models** and **Disaster Risk Insurance Facilities** for APEC Economies
- e. Development of Risk Insurance Facilities for **central/local government levels** and **individual level** (i.e. **micro-insurance**)
- f. Development of **facilities to help governments reduce the need to reallocate/borrow funds** to cover the costs of disasters (i.e. FONDEN (Mexico), CAT Bonds, Contingent credit lines)

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## Cebu Action Plan

### “3B. Disaster Risk Financing and Insurance”

#### Deliverables and Timeline



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## Cebu Action Plan

### “Proposed studies in support of the Cebu Action Plan”

#### Disaster Risk Financing and Insurance

APEC economies to study the possibility of constructing disaster risk data base

ADB and OECD to jointly conduct a stock take and prepare a report on ‘Managing financial risks of disasters as contingent liabilities in public finance frameworks’

OECD to conduct a study of risk mitigation instruments available in the APEC region and develop a set of policy recommendations to improve their availability

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## Cebu Action Plan

### Proposed APFF Work Plan on DRFI for 2016

#### CAP Deliverables

- Establish and promote **private disaster insurance schemes**
- **Deepen insurance penetration** within their economies and develop **regional risk sharing measures**
- **Develop a roadmap and network of experts** through the support of APFF for expanding the coverage of micro-insurance and disaster risk finance in member economies
- ◆ APEC disaster risk database
- ◆ ADB & OECD report on ‘public finance frameworks’
- ◆ OECD study on risk mitigation instruments

#### Proposed APFF Activities in 2016

- ✓ Formalize APFF’s DRFI Sub-stream expert group
- ✓ Setting up opportunities for dialogue with APEC finance ministry officials
- ✓ Identify economies and risks of priority
- ✓ Create a framework for disaster risk database
- ✓ Work with relevant international organizations to promote studies and reports

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