



Sector-Specific Initiatives under Crosscutting Theme – Disaster Risk Management

Carmen Maria Garcia Perez

Regional Cooperation Specialist,
Asian Development Bank

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I. Sector Status Updates

ADB-funded Regional Technical Assistance Project “**Developing a Disaster Risk Transfer Facility in the CAREC Region**” (\$2.75 million, Nov 2020–Feb 2024)

1

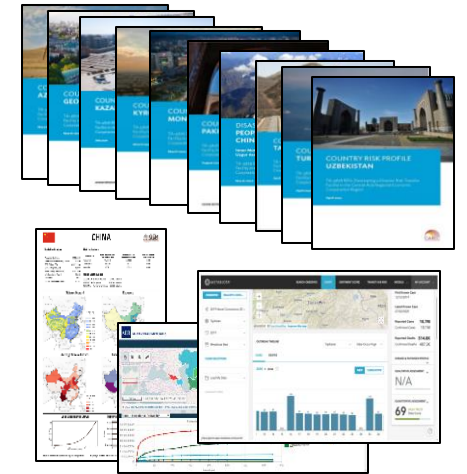
Identify and **quantify** flood, earthquake and infectious disease **risk**

- ❑ **Disaster Risk Profiles for each CAREC country** on flood, earthquake and infectious disease risks
- ❑ **Compound Risk Analysis** on potential joint impacts from disaster events and infectious disease outbreaks

2

Provide **access to modelling** and **build capacity** on risk reduction and financing solutions

- ❑ **Disaster Risk Modeling Interface (DRMI)**, allowing stakeholders to visualize risk profiles, perform high-level adaptation cost-benefit analyses; and quantify risk transfer costs for parametric insurance structures
- ❑ **Regional capacity building and engagement workshops** and bilateral consultations



I. Sector Status Updates



3

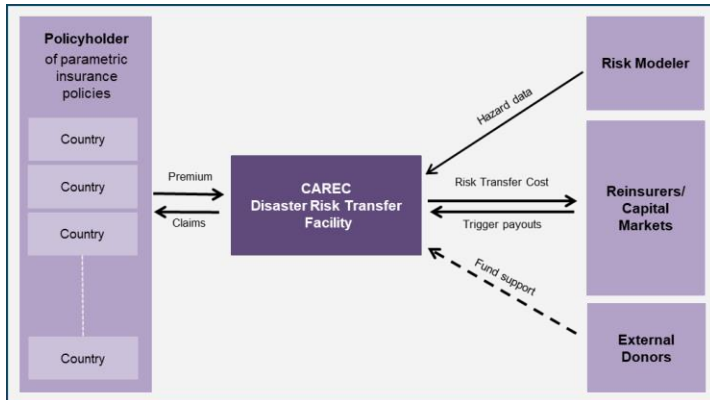
Assess and **quantify** the financial disaster risk **protection gap**

- **Protection Gap Assessment**, quantifying the difference between estimated losses from earthquake and flood risk and the existing ex-ante financing tools in CAREC countries

4

Investigate options for **regional disaster risk financing** to improve financial resilience and **collaboration**

- **Road Map to Developing a Regional Risk Transfer Facility for CAREC**, outlining key considerations and next steps regarding the facility's creation and operation
- **Assessment on the issuance of a pilot Disaster Relief Bond** by ADB for selected CAREC countries
- **Infectious Disease Risk Report**, identifying three potential risk financing solutions to help build resilience to future outbreaks



II. Key Priorities or Plans for 2024-2025

- ❑ **Natural hazard risk and vulnerability expected to increase** throughout the region, stretching countries' fiscal capacities to cope with the impacts of disaster events
- ❑ **Joint Ministerial Statement** endorsed at 22nd Ministerial Conference requesting **continued support** to further advance the design and **implementation of the proposed disaster risk financing solutions**
- ❑ **CAREC Climate Change Vision:** *“CAREC can serve as a platform to support the implementation of complementary regional disaster risk management and disaster risk financing initiatives”*

Developing a Disaster and Climate Risk Transfer Facility for the CAREC Region (Phase 2)

Coverage	All CAREC countries*
Outputs	<ol style="list-style-type: none"> 1. Advancing the implementation of the road map to developing a CAREC disaster risk transfer facility 2. Piloting an ADB-issued disaster relief bond for selected CAREC countries 3. Providing capacity building and knowledge support on disaster risk management and financing on a demand-driven basis
TA processing timeline	Q2-Q3 2024
Estimated funding	\$1,5–\$2,5 million (subject to cofinancing)

* ADB placed its regular assistance to Afghanistan on hold effective 15 August 2021. The initial focus of the pilot disaster relief bond will be selected countries (most likely group A countries eligible to receive Asian Development Fund support), although all CAREC countries will be observers to the pilot issuance process.

III. For SOM Guidance

- ❑ Support for the processing of the proposed Regional Technical Assistance Project “Developing a Disaster and Climate Risk Transfer Facility in the CAREC Region (Phase 2)” in 2024
- ❑ Countries’ priorities and needs for capacity building and knowledge support, particularly on risk modeling for informed decision-making on appropriate risk adaptation and financing instruments
- ❑ Coordination with donors, development partners and other disaster risk management and financing initiatives in the region

