

Asia-Pacific Financial Forum

KEY MESSAGES: Disaster Risk Finance

BACKGROUND

The Asia-Pacific is the world's most natural disaster-prone region on the globe. For decades, the region has recorded the biggest number of natural disaster events, and the economic consequence has been enormous, which is attributable to growing concentration of population and economic activities in hazard-prone areas, and significant enough to harm economies' sovereign risk rating. APEC Finance Ministers are aware of the situation and recognize the need to develop coordinated disaster risk management strategies and to improve their approach to Disaster Risk Financing (DRF) as a means to build resilience in the region.

APFF'S RECOMMENDATION

APFF recommends that APEC Finance Ministers, relevant policymakers and regulators consider taking the following actions to help promote effective DRF in the region.

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

WORK PLAN

APFF looks forward to having a constructive dialogue with interested finance ministries to promote a meaningful step forward in building a resilient community. In order to put the aforementioned recommendations into practice, the following action plan is suggested over the next three years.

- Establishing an APEC-wide expert group to deliver a gap analysis report (by 2016) and a disaster risk database (2017 and onwards)
- Setting a baseline DRF framework for the APEC Economies in 2018
- Establishing an economy-level DRF scheme (where appropriate) to produce an economy-level DRF blueprint (2018) and a status report (2018 and onwards)

September 2015

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