



**2017 EFDRR Open Forum  
Istanbul, Turkey  
26-28 March 2017**

**Concept Note of Technical Session**

<b>Event title</b>	<b>Technical Session 1: Economic Risk Management in Disaster Risk Reduction</b>
<b>Event code</b>	TS 1
<b>Date and Time</b>	Monday, 27 March 2017, 13:30 – 15:30 hrs
<b>Venue/ Room no.</b>	Convention Center - First Floor
<b>Organizers</b>	<p><b>Lead:</b> Jaroslav Mysiak, Director, Euro-Mediterranean Centre on Climate Change (CMCC) and Fondazione Eni Enrico Mattei (FEEM), Italy</p> <p><b>Collaborators:</b></p> <ul style="list-style-type: none"> <li>• Lea Appulo, Wetlands International, Belgium</li> <li>• Burcak Basbug Erkan, Associate Professor, Disaster Management Center, Middle East Technical University, Turkey</li> <li>• Aashish Bhardwaj, M.Sc. Student, Water Youth Network Member, The Netherlands</li> <li>• Aldea Ragno, International Affairs and Economic Studies, Italian National Association of Insurance Companies (AINA), Italy</li> </ul> <p><b>EFDRR secretariat focal point:</b> Stefanie Dannenmann-Di Palma, Deputy Head, UNISDR Europe</p>

<p><b>Session Objectives</b></p>	<ul style="list-style-type: none"> <li>• To foster the implementation of Sendai Framework through knowledge and understanding of disaster risk by and in collaboration with private sector</li> <li>• To discuss the key roles, achievements and perspective of private sector in achieving the targets set out in the Sendai Framework in Europe</li> <li>• To explore resilience initiatives and good practice examples that combine risk sensitive development and efficient disaster risk reduction</li> <li>• To showcase practical examples of how the public, private and not-for-profit sector can work together in mutually beneficial partnership to improve knowledge concerning flood risk and deliver tangible risk assessment and risk mitigation initiatives</li> </ul>
<p><b>Background and context</b></p>	<p>A global risk assessment carried out by UNISDR highlighted that annual average losses in the built environment alone associated with earthquakes, tsunamis, floods, tropical cyclones and volcanic ash amount already now to USD 314 billion. This figure would be higher if adding impacts of other hazards such as drought, desertification. In 2015, 19.2 million people were displaced by natural hazards in 113 countries. In Europe, the number of hydrological disasters showed a 45% increase compared to its decennia average.</p> <p>Major disasters can disrupt production chains, as events such as the 2011 Thailand floods and East Japan earthquake and tsunami revealed. Natural hazard risks can undermine development progress, financial and economic stability and well-being. A sound financial protection strategy can lessen these impacts, speed up recovery and reconstruction, and harness knowledge and incentives for reducing risk. Development cannot be sustainable unless disaster risk is reduced.</p> <p>Trillions of dollars of new private investment across all sectors are expected to pour into hazard prone areas by 2030, dramatically increasing the global value of assets at risk. How disaster risk is factored into and managed in capital investments, supply chains and operations in general will therefore have a decisive influence on whether risk levels can be reduced and the targets of the Sendai Framework can be achieved. At the same time, whether disaster risk is correctly factored into the value chain of business is influenced by how it is priced and valued by analysts, providers of business intelligence, regulators, insurers, educators and others.</p>

The Sendai Framework recognizes a key role played by the private sector. The Framework highlighted the lack of regulation and incentives for private disaster risk reduction investment as an underlying risk driver and called for business to integrate disaster risk into their management practices. Similarly, it stated that addressing the underlying disaster risk factors through disaster risk-informed public and private investments are more cost-effective than primary reliance on post-disaster response and recovery, and contribute to sustainable development.

In particular, Priority 3 of the Sendai Framework: Investing in disaster risk reduction for resilience stated that public and private investment in disaster risk prevention and reduction through structural and non-structural measures are essential to enhance the economic, social, health and cultural resilience of persons, communities, countries and their assets, as well as the environment. They can drive innovation, economic growth and job creation. Such measures are cost-effective and instrumental to save lives, prevent and reduce losses, and ensure rapid recovery and rehabilitation.

Hence, ensuring the coordination to strengthen resilience within private sector actor at regional, national and local level, will contribute mainly to achieve the following goals established by the Sendai Framework: (A) Disaster mortality, (B) number of affected people, (C) direct economic losses and (D) Reducing damage to critical infrastructure and disruption of basic services.

By highlighting risk assessment and risk mitigation initiatives underway across Europe, this session will present participants with practical examples of how **governments can leverage resources and expertise in the private sector to enhance resiliency at the individual, community and national levels.**

<p><b>Session format and programme</b></p>	<p><i>Ten minute presentations followed by questions primed by moderator and questions from the audience</i></p> <p><i>Speakers:</i></p> <ul style="list-style-type: none"> <li>• <b>Setting the stage: impacts of natural hazards on production and economy</b> <ul style="list-style-type: none"> <li>○ <b>David Simons</b>, Willis Re, Managing Director: Capital, Science and Policy Practice</li> </ul> </li> <li>• <b>Risk financing and transfer: role of private sector</b> <ul style="list-style-type: none"> <li>○ <b>Cornel Quinto</b>, Association of Public Insurance Companies for Buildings, Switzerland</li> <li>○ <b>Sandra Nedeljkovic</b>, Deputy Director of the Public Investment Management Office (PIMO), Serbia</li> <li>○ <b>Almir Beridan</b>, Legal Adviser, Protection and Rescue Sector, Ministry of Security of Bosnia and Herzegovina</li> <li>○ <b>Serpil Ozturk</b>, Secretary General, Turkish Catastrophe Insurance Pool, (DASK), Turkey</li> </ul> </li> </ul> <p><i>Questions and comments by participants (motivated by Moderator)</i></p> <p><i>Closing comments</i></p>
<p><b>Intended main outcome and Key messages</b></p>	<p>Participants leave with case studies comprised of leading private-sector-led initiatives, public-private partnerships currently underway, and models that can be applied to risk reduction and risk mitigation efforts across other jurisdictions and all tiers of government.</p>

**List of Speakers  
and their  
interventions**

- **David Simmons** is a Managing Director within Willis Towers Watson's Capital, Science and Policy Practice. David has over 35 year's re/insurance experience. He has a mathematics degree from the University of Bristol and is a Fellow of the Chartered Insurance Institute and a Vice-President of the London Insurance Institute. He was a pioneer of insurance financial and catastrophe risk modelling, moving beyond capital modelling to broader risk and capital management frameworks. For 5 years he lead the Willis Re team advising clients on regulatory and rating agency issues, including Solvency II Recent work had focused upon developing country catastrophe risk insurance schemes; for example designing and placing reinsurance for the African Risk Capacity and CCRIF SPC insurance.
- **Cornel Quinto**, Association of Public Insurance Companies for Buildings, Attorney at Law in Switzerland, Mr. Quinto started his career, in 1996, as Head Legal Service and Associate Member of the Executive Board of the Association of Cantonal Fire Insurance Companies/Intercantonal Reinsurance /Swiss Earthquake pool in Berne. Currently a partner at the Lustenberger Attorneys at Law, Zurich, he is also a Representative for the Association of Public Insurance Companies for Buildings (APIB), in Berne, as well as a member and Vice-President Board of Directors of the Public Insurance Company for Buildings of Canton Zurich. Mr. Quinto has authored numerous publications and presented at several conferences on the legal impact of climate change and natural hazards on insurances systems. He has a degree in Law from the University of Berne and an LL.M in Business law from the University of Zurich
- **Sandra Nedeljkovic**, Deputy Director of the Public Investment Management Office (PIMO), Serbia. After 15 years in the private sector, Sandra Nedeljković joined the Serbian Government office for Reconstruction and Flood Relief, in 2015, assuming, successively, the posts of assistant director and deputy director. Since 2016 she has also been assigned to the post of deputy director at the Government of Serbia, Public Investment Management Office. She holds MA in Public Administration, Local Self-government and Public Policy, from the Belgrade University

	<ul style="list-style-type: none"> <li>• <b>Almir Beridan</b>, Legal Adviser, Protection and Rescue Sector, Ministry of Security of Bosnia and Herzegovina. Mr. Almir Beridan is a legal adviser at the Ministry of Security of Bosnia and Herzegovina. Drafting of legal documents and guidelines at the Ministry is just one of his tasks. Working at the Department for Strategic Planning, risk analysis and assessment, emergency planning and management, mainstreaming disaster risk reduction, international cooperation, organization and conduct of full-scale exercises occupy his daily business. Although he is working on the national level, he is also dedicated to assisting local communities in developing and implementing of capacity building activities, mainly in risk analysis for civil protection which rely heavily on the private sector and elementary schools prone to natural hazards. In 2013, based on his master thesis, he published a book titled “Disaster management in international and national law”. During the flooding in May 2014 Mr. Beridan was one of the main contributors to the coordination of international assistance to Bosnia and Herzegovina.</li> <li>• <b>Serpil Ozturk</b>, Secretary General of DASK (Turkish Natural Catastrophe Insurance Pool). Ms Ozturk is an Industrial Engineer with MSc graduated from Istanbul Technical University. Following her IT career in insurance industry, she is since 2005, Secretary General of DASK (Turkish Natural Catastrophe Insurance Pool) on 2005.</li> </ul>
<p><b>Relevant Publications</b></p>	<p>IPCC. (2012). <i>Summary for policymakers - Special report on managing the risk of extreme events and disasters to advance climate change adaptation (SREX)</i>. Intergovernmental Panel on Climate Change.</p> <p>UNISDR. (2015a). <i>Global assessment report on disaster risk reduction 2015</i>. Geneva (Switzerland). Retrieved from <a href="https://www.unisdr.org/we/inform/publications/42809">https://www.unisdr.org/we/inform/publications/42809</a></p> <p>UNISDR. (2015b). <i>Making Development Sustainable: The Future of Disaster Risk Management</i>. Global Assessment Report on Disaster Risk Reduction. Geneva, Switzerland: United Nations Office for Disaster Risk Reduction (UNISDR).</p> <p>World Bank. (2013). <i>Risk and Opportunity. Managing Risk for Development</i>. Washington D.C. (US): International Bank for Reconstruction and Development / The World Bank.</p>