



NATIONAL DISASTER RISK MANAGEMENT FUND (NDRMF) – PAKISTAN

Lt Gen Nadeem Ahmad (R)
CEO NDRMF – Pakistan

Asian Regional Forum on Disaster Risk Finance (Sep 25-26, 2018)
ADB Headquarters, Manilla, Philippines



This is not an ADB material. The views expressed in this document are the views of the author/s and/or their organizations and do not necessarily reflect the views or policies of the Asian Development Bank, or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy and/or completeness of the material's contents, and accepts no responsibility for any direct or indirect consequence of their use or reliance, whether wholly or partially. Please feel free to contact the authors directly should you have queries.

THE NDRMF - PAKISTAN

- Government-owned, not-for-profit, non-bank financial intermediary
- Initial Funding:



USD 200 millions



USD 25 millions



Australian Government

USD 3.4 millions



USD 1.5 millions

Additional commitment of USD1 billion by ADB between 2020-2030

- Grants for subprojects that contribute to enhanced resilience to extreme weather and geophysical hazards (DRR), and strengthen the government's ability to quickly respond to disasters triggered by natural hazards (DRF).



GOVERNANCE

- Governance Structure:
 - Registered under section 42 of Companies Ord. 1984 with SECP
 - Perform as autonomous financial intermediary
 - 15 Members Board (Ex Officio –5, Provinces-4, CEO-1, Professionals-2, Donors-2, Civil Society Organizations-1)
 - 40 Member General Body (Provinces & Stakeholders)
 - Fund Management Operations (4 units – 60+ staff)
- Accreditation of partners and clearly defined subproject selection criteria
- Focus on DRR (reduce) and DRF (transfer)
- NDMP & NFPP-IV will be the guiding documents for project selection

FUND OPERATIONS

- Fund's Sustainability ensured through endowment (US\$123 Million), while first three years establishment cost being borne by ADB.
- Highest Institutional level of coordination, diligence, quality control, monitoring and fiduciary safeguards.
- Strong knowledge base on risk and vulnerabilities for informed investment (MHVRA).
- Mobilize additional 30% funds (estimated at \$330 Million ultimately) from Implementation Partners (Govt entities, UN agencies and I/NGO's), besides additional funding by development partners and International Funds.

BRILLIANT CONCEPTION & UNIQUE IMPLEMENTATION

- Proactive approach as against a response centric approach
- Government owned and not donor driven
- Registered as a corporate entity with its own Board and Governing Body (allowing quick decision making and institutional diligence)
- Draws 30% contribution from the FIP's, thus enlarging the Fund's basket.
- Takes a long term and comprehensive view of DRM – allowing a structured, integrated and coordinated approach.
- Allows space for other donors to contribute
- Broad spectrum of FIP's; Government entities, UN agencies, I/NGOs etc; allowing better coverage/penetration, leveraging their core competencies.

NDRMF THEMATIC FOCUSED INTERVENTIONS

Disaster and Climate Risk Assessment

Development of the DRR and Climate Change Infrastructure

Preparedness for Disasters and Climatic Shocks

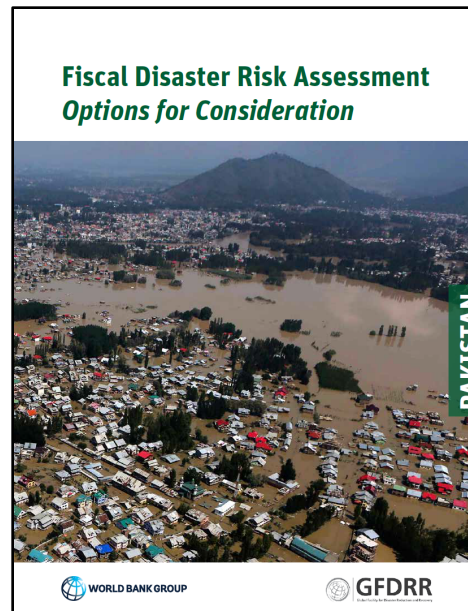
Disaster Risk Financing



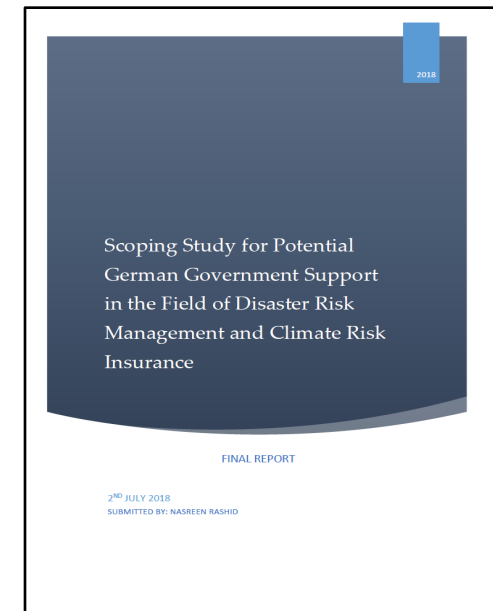
LATEST UPDATES ON RISK FINANCING IN PAKISTAN



NDRMF DRF Workshop 2018

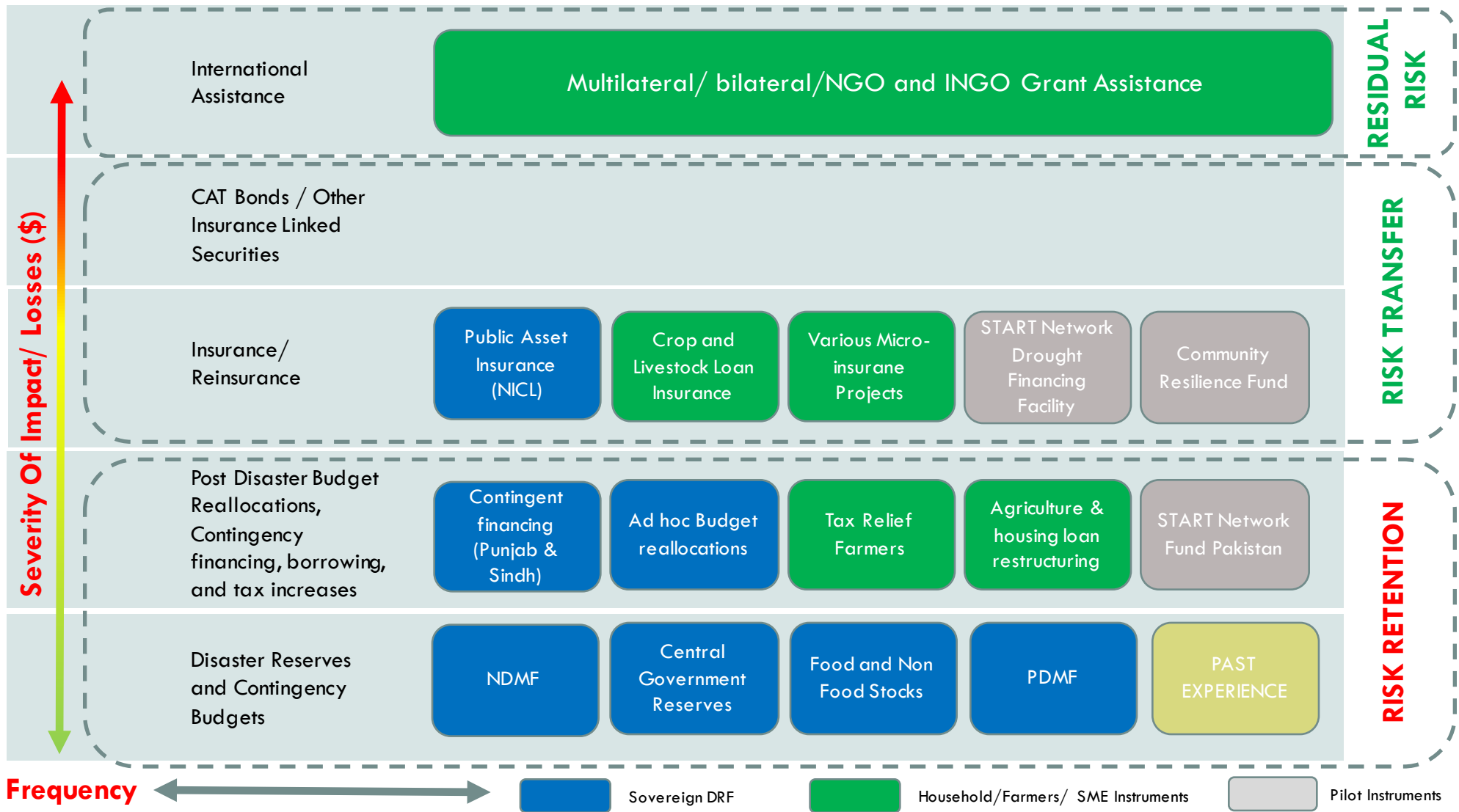


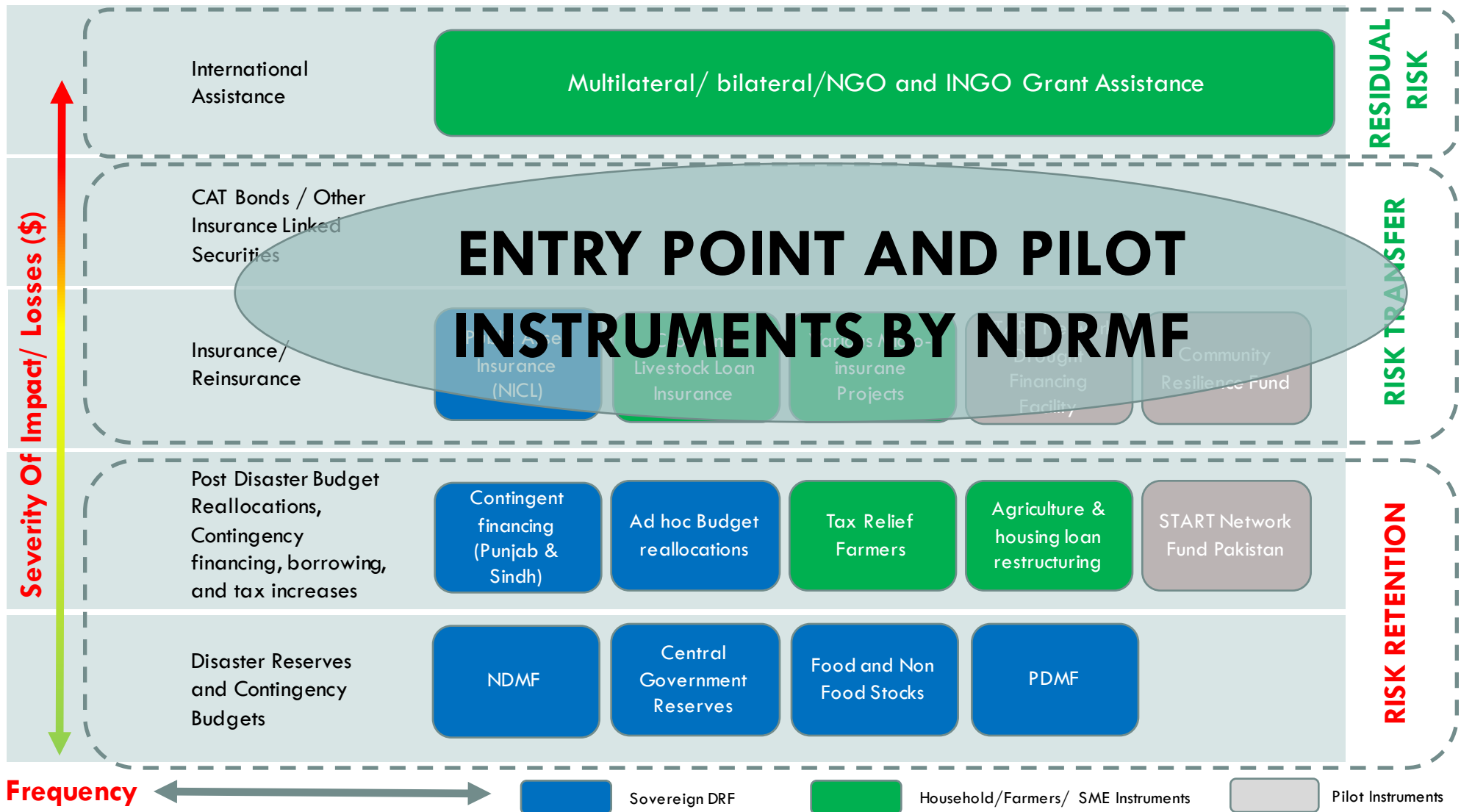
World Bank FDRA 2018



KFW DRM and Climate Insurance Study







NDRMF DISASTER RISK FINANCING OUTPUTS

- Sub component 1: Development of Geo-Reference database and Catastrophe Risk Assessment/Modeling (National Level)
- Sub component 2: Development of a National DRF Strategy
- Sub component 3: Development of Two Pilot DRF Instruments as per DRF Strategy and Testing of one Instrument



CHALLENGES TO CREATE ENABLING ENVIRONMENT (1/2)

- Improving Sound Understanding of Frequency and Impact of Disasters
 - Differentiating between Low Frequency-High Impact and High Frequency-Low Impact Events
- Building Cultural Confidence in Financing Tools
- Undertaking Cost Benefit & Other Feasibility Studies
- Enhancing Technical Knowledge Of Financing Tools (Ensuring Informed Decision Making)
- Value addition to the existing DRF Mechanism in Pakistan



CHALLENGES TO CREATE ENABLING ENVIRONMENT (2/2)

- Exploring and Working on Market Incentives
- Establishing Legal Provisions and Institutional Pivoting / Ownership
- Developing DRF Synergy through Technical Cooperation
- Developing Historical Disaster Loss Databank





THANK YOU

