Redesigning Systems for Resilience through Recovery: Assessing Progress and the Unfinished Agenda at the Midpoint of the Sendai Framework

Panel Session 2:
Recovery for Resilience and Financing Recovery

Ramesh Subramaniam
Director General
Southeast Asia Department
Asian Development Bank

19 January 2022
Outline of Presentation

1. Overview of ADB’s approach
   - Disaster resilience
   - Recent policy shifts to boost resilience

2. ADB’s assistance to Southeast Asian Countries
   - Post-disaster support
   - Disaster risk financing
   - COVID-19 support
   - Post-pandemic Green Recovery
ECOLOGICAL RESILIENCE
- Conservation, restoration, and rehabilitation of ecosystems;
- Use of biodiversity and ecosystem services as part of an overall strategy of building resilience of communities and the economy

PHYSICAL RESILIENCE
- Climate and disaster risk–informed infrastructure planning and development

FINANCIAL RESILIENCE
- Support for enhancing financial preparedness in a changing climate and disaster risk context

SOCIAL AND INSTITUTIONAL RESILIENCE
- Pro-poor and pro-vulnerable investments;
- Multi-faceted resilience solutions—livelihoods, social protection, skill development—at multiple scales (households, community, and local government)
Overview of ADB Policy Shifts to Boost Resilience

1. Revised Disaster and Emergency Assistance Policy (RDEAP)

• In October 2021, ADB’s Board approved an updated policy framework to enhance strategic guidance for ADB’s assistance for disasters and emergencies to strengthen resilience, including improved management of residual risk

• Covers risk reduction, preparedness and response

The policy is based on four principles, collectively establishing a solid and systematic framework guiding ADB’s disaster and emergency assistance:

• risk management begins with risk reduction;
• disaster and emergency risk management is an integral part of the development process;
• ADB’s developing member countries have differentiated risk profiles and, thus, opportunities for enhanced resilience; and
• timely, carefully planned, and well-designed relief, early recovery, and reconstruction interventions and solutions reduce the near- and longer-term social, institutional, and economic impacts of disasters and emergencies and facilitate resilient recovery.
Overview of ADB Policy Shifts to Boost Resilience

2. Revised Emergency Assistance Loan Policy (REAL)
   • Established the EAL modality as a policy separate from the DEAP
   • Key changes include support for project preparation, reconstruction and retiring the quick-disbursing component.
   • Covers early recovery activities such as rehabilitating critical infrastructure and meeting basic needs, as identified by a PDNA

3. Establishment of a Second Window of Assistance under the Asia Pacific Disaster Response Fund (APDRF)
   • APDRF was established in 2009 as a special fund to provide fast-tracked grants to any DMC of ADB for life-saving purposes in the immediate aftermath of a disaster
   • Finance experts to provide speedy post-disaster technical support for the preparation of PDNA, recovery plans and post-disaster projects
   • Enable ADB to participate more consistently in PDNAs as part of a multi-donor team and support the timely processing and start-up of emergency assistance loans (EALs)
ADB’s Support to Southeast Asia DMCs Response to Disaster Events (including COVID-19)

ADB’s post-disaster financing provides opportunities to build back better and enhance resilience to future disasters.

ADB has approved close to $10 billion in loans, grants and TA in Southeast Asia over the last 30 years, comprising support for:

1. Natural disasters
   - $400 million in grants and $1.7 billion in loans for responding to natural disasters (e.g. Indian Ocean Tsunami of 2004; Typhoon Haiyan of 2013; Palu Earthquake & Tsunami of 2018)
   - Build Back Better Principles
   - Focus on inclusion and addressing disaster risks through greater resilience
2. **Contingent Disaster Financing (CDF):** A new financing option under ADB’s policy-based lending (PBL) modality

- A different take: the CDF policy was amended in April 2020 to include pandemic response and disbursement triggers as part of ADB’s overall COVID-19 response, in addition to disasters
- **Disaster Resilience Improvement Program (DRIP)**
  - $500 million DRIP loan to the Philippines approved in September 2020
  - $500 million DRIP loan to Indonesia approved in September 2020
- **Disbursement triggers:** e.g., declaration of a state of emergency
- **Dual-purpose:** rapid provision of liquidity and introduction of policy reform
- **Innovative** approach linking policy reform with recovery finance
3. Other events such as pandemic

- $5.413 billion of COVID-19 Active Response and Expenditure Support Program (CARES) loans, emergency social assistance and health support loans, emergency health grants, emergency food assistance, and knowledge support grants

- $1.1 billion approved (of which $650 million committed) Asia Pacific Vaccine Access Facility (APVAX) loans for vaccine access and procurement
Building Back Better:

New financing partnership for ASEAN Green Recovery Platform, launched at COP26 in November 2021

- Aim to leverage funds 10 times, using pledges of $665 million to mobilize an additional $7 billion for low-carbon and climate-resilient infrastructure projects in Southeast Asia
- Accelerate the region’s recovery from COVID-19

The platform is linked to the ASEAN Catalytic Green Finance Facility and brings together partners to support ASEAN developing member countries accelerate green infrastructure pipelines to support a green recovery from the COVID-19 pandemic.
Thank you.