Concept Note
Technical Session 3: Investing in Disaster Risk Reduction for Resilience

The Sendai Framework recognizes that investment in disaster risk reduction can not only prevent and reduce losses but also build economic, social, health and cultural resilience of the society more broadly. These can generate several developmental co-benefits and be the "drivers of innovation, growth and job creation." According to the Sendai Framework, investing in DRR for Resilience requires the following:

- Predictable mechanisms at all administrative levels to finance disaster risk reduction strategies, policies and plans;
- Disaster risk transfer and insurance, risk-sharing and retention and financial protection, for both public and private investment;
- Development or revision of building codes and standards, and mechanisms for their enforcement to foster a disaster-resistant built environment;
- Mechanisms to promote disaster-resilient public and private investments, particularly through structural, non-structural and functional disaster risk prevention and reduction measures in critical facilities, in particular schools and hospitals and physical infrastructures;
- Mainstreaming of disaster risk assessment, mapping and management into development planning, natural resources management and preservation of ecosystems;
- Social safety-net mechanisms, including through community involvement, integrated with livelihood enhancement programmes;
- Protection of sites of historical, cultural heritage or religious significance;
- Protection of livelihoods and productive assets, including livestock, working animals, tools and seeds; integration of disaster risk management into business models and practices;

THE INDIAN CONTEXT

Financing mechanism for DRR

Although the Disaster Management Act (2005) calls for the establishment of a mitigation fund, there is no separate funding window for disaster risk reduction. The Fourteenth Finance Commission (FFC) has made recommendations with regards to National and State Disaster Response Funds. Although the FFC stops short of making specific recommendations for financing disaster risk reduction, it makes a recommendation for "development and scientific validation of the Hazard Vulnerability Risk Profiles of States." Presumably, these Profiles will become a basis for risk reduction financing in the future. In the absence of such a mechanism, DRR is currently financed through a state's regular finances or through large multi-state programs, such as the National Cyclone Risk Mitigation Programme.

Immediate disaster response is funded through the State Disaster Response Fund (SDRF) and the National Disaster Response Fund (NDRF). Disbursements from these funds follow norms laid out by the Government of India. These norms, revised in April 2015, specify the kinds of activities – mostly immediate response – that can be supported from NDRF and SDRF. The list of disasters covered has also been specified. States can exercise some flexibility in providing relief for disasters that are not listed[1]. Although long-term recovery and reconstruction is not covered by these norms, there is provision for cash assistance for fully damaged or destroyed houses. After major disaster events, reconstruction and recovery have often been funded through external financing.

Risk Financing

At present, in the event of a major disaster, state governments rely on the central government to finance post-disaster recovery. The role of risk finance in bolstering the financial response capacity of state governments to secure cost-effective access to adequate funding for disaster response, reconstruction, and recovery needs to be explored. This will include how state governments would assume their liabilities in times of disasters with regards to agricultural insurance, property insurance, and social protection. At the household level, the country has launched ambitious programmes to enhance access to insurance. It would be important to assess how these social protection mechanisms increase assistance to affected households immediately following a disaster or on early signs of a slow onset disaster.

Regulating the Built Environment including the Urban Infrastructure

India's built environment – housing, public buildings, social infrastructure, physical infrastructure -- is changing rapidly. With regards to disaster risk, this change is characterized by two trends: first, higher rate of growth in hazard prone areas leading to increasing exposure to natural hazards; and second, increasing proportion of the capital stock that is more vulnerable or susceptible to damage from natural hazards. Both these trends do not augur well for the future of disaster risk in the country. Trend is not destiny. With careful regulation of the built environment, this trend can not only be arrested but also reversed. There are isolated examples – especially in post-disaster reconstruction – where state governments have accomplished this successfully. There is also a need for regulating professions – such as engineers, architects, urban planners, builders, public health and environmental engineering professionals -- that are involved in shaping the built environment of the future.

SESSION PLAN

Chair: ***Shri. D.N.Sharma, Member, NDMA***
Co-chair: *Prof. C.V.R, Murty, Director, IIT, Jodhpur*

Opening Remarks – By Session Chairperson/Co-Chair. (5 minutes)

- Financing arrangements for DRR (banks, insurance and micro-financing institutions) - Mr. GovindRao/IlaPatnaik (15 Minutes)
- Planning And Regulating Urban Infrastructure- Ms. AlpaSheth, former Seismic Advisor, Gujarat (15 Minutes)
- Role of Panchayats in local risk reduction- Shri. BinoyAcharay, UNNATI (15 Minutes)

Open House (35 Minutes)
Closing Remarks – By Session Chairperson/Co-Chair. (5 minutes)

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[1] The Fourteenth Finance Commission recommends "up to 10 per cent of the funds available under the SDRF can be used by State Governments for natural disasters that they consider to be 'disasters' within the local context in the State and which are not included in the notified list of disasters."