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Investing in Disaster Risk Reduction for Resilience

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Nepal's Economy Will Take Years to Recover From the Deadly Earthquake

April 28, 2015, TIME





**Parliamentarians
call for effective
early
preparedness for
disaster risk
reduction**

Hetauda Cement's losses jump fivefold as virus hits construction and sales

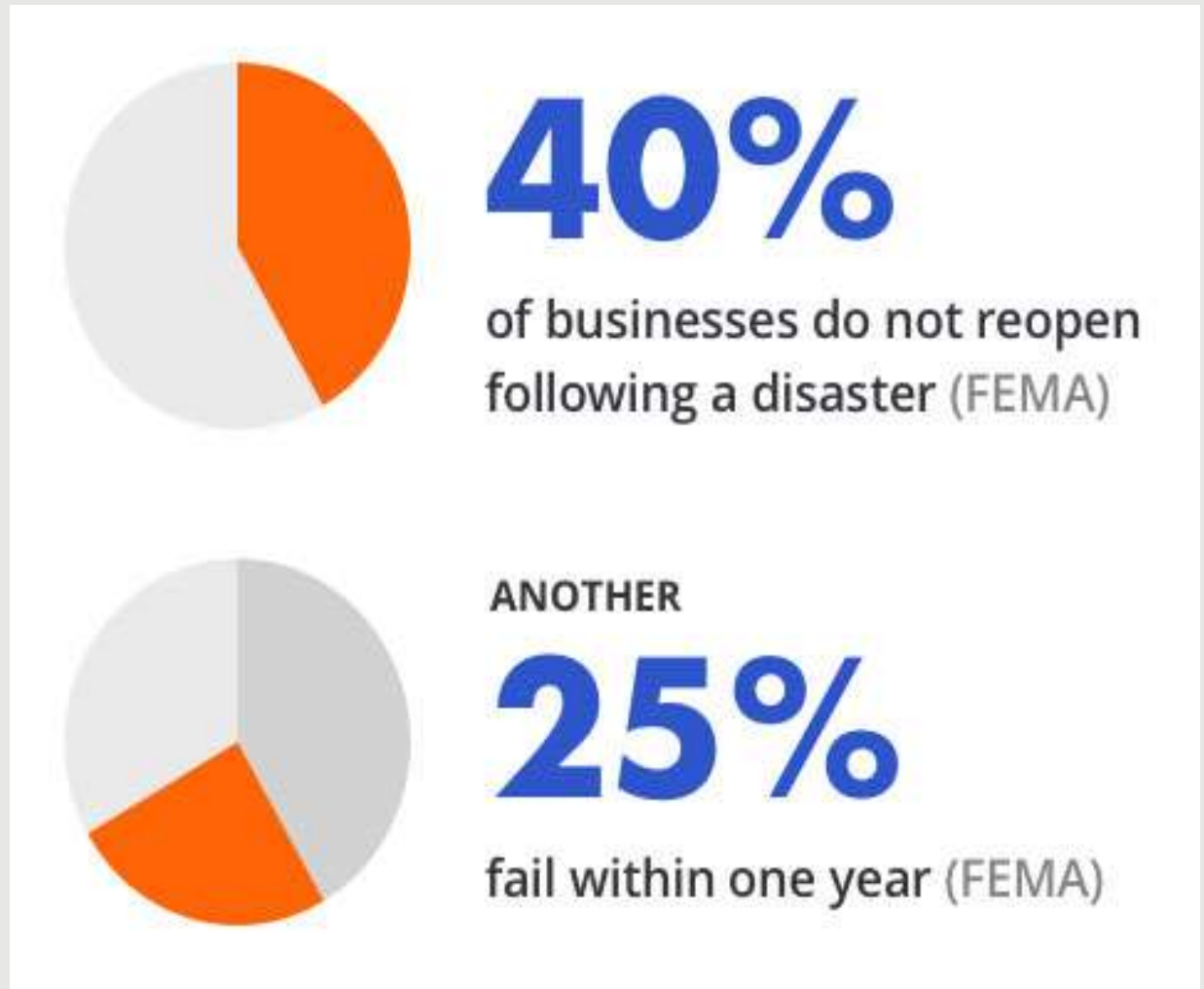
Aug 24, 2020, TKP



M/SMEs in Nepal

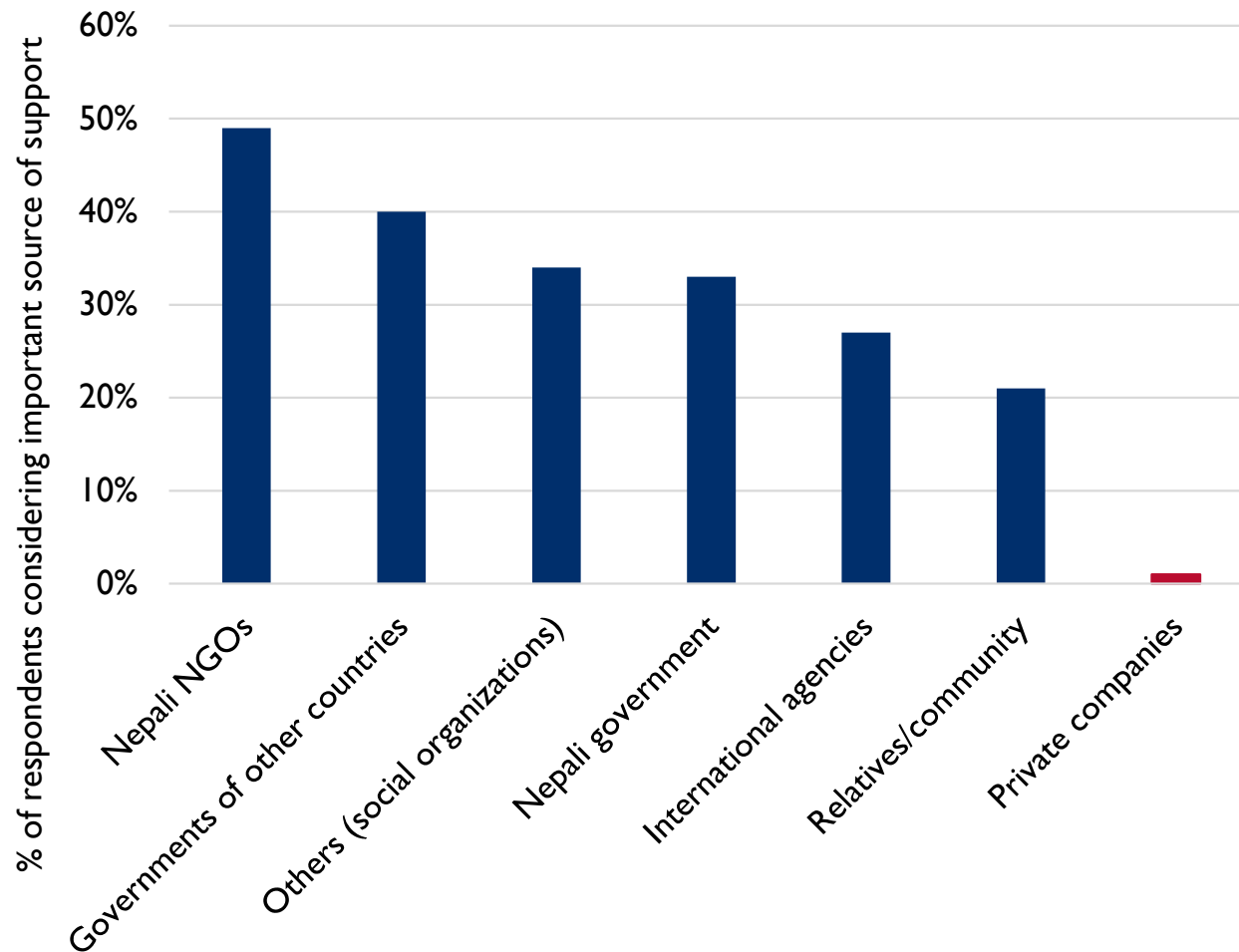
- **98%** of industrial establishments
- **57%** employment (1.7 million)
- **22%** of GDP

Source: World Bank – SME report 2020 / MOF 2016 Economic Survey



FEMA - Federal Emergency Management Agency

Historically - private sector (insurance) has played a minor role in supporting recovery from disasters



Providers of support - **2017 floods**

Less than
1% of
damage
caused by
2015
earthquake
covered by
insurance

Nepali private sector: After the disaster

July 03, 2015 | THT



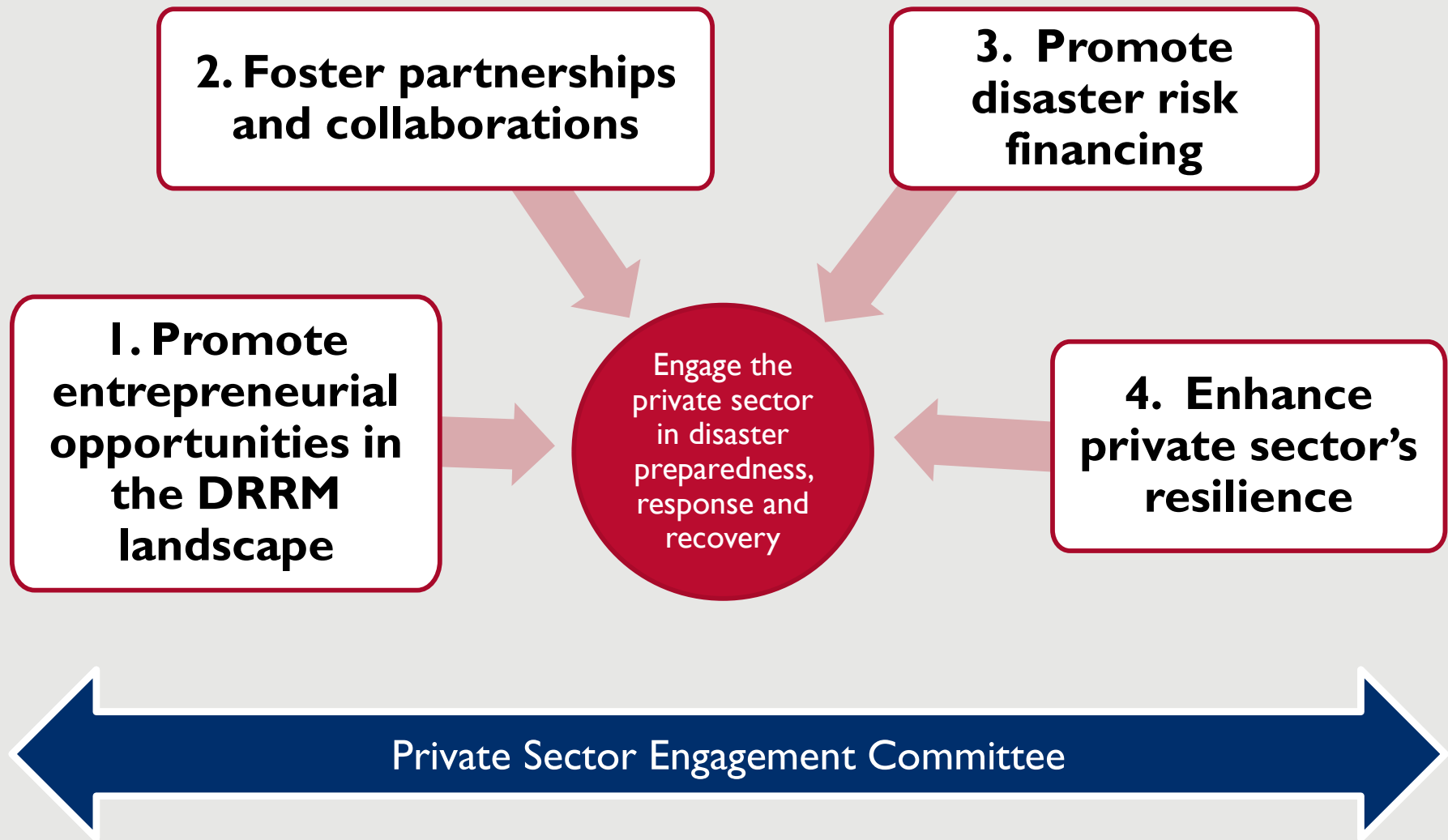
Operation Relief – NPR 10 million
PM Relief Fund > NPR 300 million

Asagar '15

Bottomline

- Majority of nation's **critical infrastructure** are managed by the private sector. It has **resources** essential to emergency management, logistic capabilities, etc.
- Though the private sector has been **generous** with funding support after disasters, businesses in Nepal are themselves **not ready** to cope with natural and human-induced disasters
- USD 1 invested in resilience **saves USD 4-7*** in response
- Only **few** Nepali businesses have preparatory mechanisms to withstand the impacts of a disaster

Tayar Nepal's Approaches to Private Sector Engagement



Way Forward

1. There is oversight of the Private Sector currently by the Government, CSOs, and Media on DRR
2. Change in **perception** required. The Private Sectors wants their philanthropy role to be **recognized**, seeks to develop **long term relationship** and treated as trustworthy **partners**
3. Encourage the Private Sector to invest in **advocacy and awareness building** of disaster resilience (CSR and beyond)
4. Promote **Business Continuity Management** – BCP. Businesses with strong risk management programs can reduce their disaster loses seven-folds
5. Allow businesses to **seek opportunities** in dealing in disaster resilient products and services
6. Successful initiatives to prepare, support, and become disaster resilient **must be encouraged, shared and recognized**



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Increasing the Private Sector investment
in Disaster Risk Reduction for Resilience
is possible

THANK YOU