Analysis to Action: An Executive Education Program on Disaster Risk Finance in Africa

2 – 6 September 2019
Stellenbosch University
STRATEGIC FORESIGHT: RESPONDING TO A VUCA WORLD
RESPONDING TO A VUCA WORLD

Complexity

Volatility

Strategic Foresight
- Long-term, Futures thinking
- Multi/Trans-disciplinary
- Systems thinking
- Strategic thinking
- Creative thinking

Decision-Making
- A spectrum of options
What is Strategic Foresight?

Strategic foresight is the ability to create and maintain a high-quality, coherent and functional forward view and to apply the insights in useful ways:

• to anticipate new trends and eventualities;
• detect adverse conditions and risk;
• explore best approaches;
• guide policy and shape strategy.

It represents a fusion of futures thinking with strategic management and planning.

Richard A Slaughter
INNOVATIONS ACROSS AFRICA

RESEARCH & EVIDENCE BASED

Inputs

Analysis

“what seems to be happening?”

Interpretation

“what’s really happening?”

“Pro-Spection”

“what could happen?”

Foresight

“what might we need to do?”

Outputs

Strategy/Policy

“what will we do?”

Trends & Events

Participatory & Consultative Process

Strategic Decision Making
Applying Strategic Foresight in DRF

**INPUTS**

**IDENTIFICATION OF RISK**

**RISK ASSESSMENT**

“PRO-SPECTION”

**OUTPUTS**

**CONTEXTS, EVENTS & INNOVATION**

The changing global context and the need for disaster risk finance

*what is happening?*

**PARTICIPATORY & CONSULTATIVE PROCESSES**

The disaster risk financing value chain

*what seems to be happening? / what’s really happening? what could happen?*

**STRATEGIC DECISION MAKING**

Disaster risk financing strategies

*what might we need to do? / what will we do?*

---

**DAY 1**

**SETTING THE SCENE**

Crisis and Financial Risk in Africa

Contexts and Development Impacts Changing Nature of Disasters and Innovations

**DAY 2**

**FINANCIAL RISK MANAGEMENT AND INSTRUMENTS**

Fundamentals of Public Financial Management

Fundamentals of Disaster Risk Financing

DRF Financial Instruments and Risk Pooling

**DAY 3**

**PUTTING DRF INTO PRACTICE DATA AND TOOLS FOR DECISIONS**

The Use of Data in DRF

Interrogating Data to Make Informed Decisions

Developing a Risk Layering Strategy with National Data

Agricultural Insurance

**DAY 4**

**OPERATIONS FOR IMPACT**

Satellite Data

Adaptive Social Protection

Mapping, Managing and Influencing Stakeholders

**DAY 5**

**INNOVATION AND RESOURCES**

Displacement

Communicating Your Strategy and Story-Telling Action Plans
Discerning Possible Futures:

- There is a set of plausible futures rather than one fixed future
- We have some influence over the future
- CREATE THE FUTURE
Approaches to Futures Thinking

EXPLORATIVE VIEWPOINT

Historical trend

Explorative from holistic trend to plausible futures
Approaches to Futures Thinking

INNOVATIONS ACROSS AFRICA

Normative Viewpoint

Historical trend from holistic trend to plausible futures

Goal from the goal or standard back to the present

NORMATIVE VIEWPOINT
CHALLENGES OF NAVIGATING UNPREDICTABLE RISKS
Have you ever considered...?

- What is really behind this...
- Where this really comes from...
- If we do this, what will happen is that...
- The real consequence of this will be that...
- What most people don’t realise about this...
- What could happen down the road...
- We would be in trouble if...
Not even to basics
Decision-making: Temporal

Past

Present

Future
BEST PRACTICES IN FUTURES THINKING
Application to DRF
Continuous change
+ Limited(?) power & control
+ Stakeholders with varying IQ & EQ
+ Limited budget
+ Lack of capacity
+ Relentless demand for higher performance

Conundrum: efficiency or innovation?
Levels of consideration

INTEGRATED AND INTERCONNECTED GLOBAL CONTEXTS
NEAR TO LONG TERM CONSIDERATIONS FOR DRF

ENHANCING STRATEGIC PLANNING

- Direct Output/Operations/Actions
- Issue Diagnosis
- Intervention Design
- Integration & National Strategic Plan Alignment
- Boundaries/Restrictions

INNOVATIONS ACROSS AFRICA
Strategic Alignment For DRF

INNOVATIONS ACROSS AFRICA

© Copyright BANETH Consulting, 2004
<table>
<thead>
<tr>
<th>Action</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commission</strong></td>
<td>Risk</td>
</tr>
<tr>
<td>If we do...</td>
<td>Dominant?</td>
</tr>
<tr>
<td><strong>Omission</strong></td>
<td>Opportunity</td>
</tr>
<tr>
<td>If we don’t...</td>
<td></td>
</tr>
</tbody>
</table>
### Considerations For DRF

#### INNOVATIONS ACROSS AFRICA

<table>
<thead>
<tr>
<th></th>
<th>Pleasure (Euphoria)</th>
<th>Some pain</th>
<th>Some pleasure</th>
<th>Pain (Despair)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Today</strong></td>
<td><img src="http://example.com" alt="Diagram" /></td>
<td><img src="http://example.com" alt="Diagram" /></td>
<td><img src="http://example.com" alt="Diagram" /></td>
<td><img src="http://example.com" alt="Diagram" /></td>
</tr>
<tr>
<td><strong>Tomorrow</strong></td>
<td><img src="http://example.com" alt="Diagram" /></td>
<td><img src="http://example.com" alt="Diagram" /></td>
<td><img src="http://example.com" alt="Diagram" /></td>
<td><img src="http://example.com" alt="Diagram" /></td>
</tr>
</tbody>
</table>

- Trade-offs?

- Pleasure (Euphoria)
- Some pain
- Some pleasure
- Pain (Despair)

- $P(l)_<P(a)$
- $P(l)>(X)P(a)$
- $P(a(t))<P(a(t))$
# Scenario Dependency Matrix

<table>
<thead>
<tr>
<th>CONSEQUENCE</th>
<th>CONDITION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>If This…</strong></td>
</tr>
<tr>
<td></td>
<td><strong>If Not This…</strong></td>
</tr>
<tr>
<td>Then That</td>
<td>Q1: Positive Mutual Conditionality</td>
</tr>
<tr>
<td></td>
<td>Q2: Alternative Conditionality</td>
</tr>
<tr>
<td>Then Not That</td>
<td>Q3: Mutual Exclusivity</td>
</tr>
<tr>
<td></td>
<td>Q4: Negative Mutual Conditionality</td>
</tr>
</tbody>
</table>
INNOVATIONS IN COUNTRY CONTEXTS
Self-actualisation and responsibility

• A personal dedication to prepare for the future
  – Key insights
    _____________________________________________________________
    _____________________________________________________________
    _____________________________________________________________
    _____________________________________________________________
  – Key commitments to action
    _____________________________________________________________
    _____________________________________________________________
    _____________________________________________________________
    _____________________________________________________________