



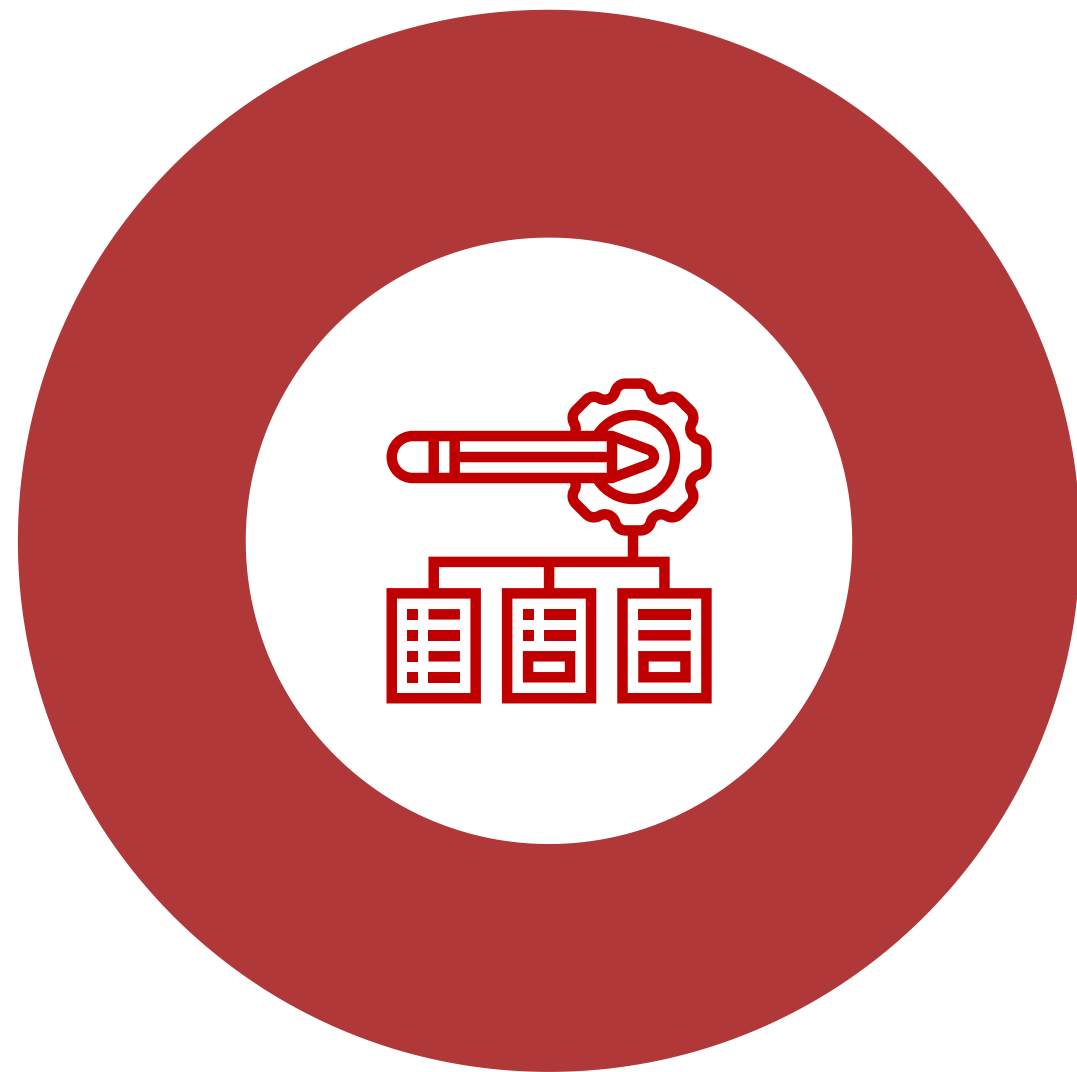
Executive Education on DRF for Indonesia

 SESSION : Policy and Regulatory Considerations

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Key Learning Objectives



Why effective and enabling policy, regulatory and institutional frameworks are needed



What are the necessary considerations for an enabling policy, regulatory and institutional framework



How countries develop policies and regulations for DRF

Why Effective and Enabling Policies and Regulatory Frameworks Are Needed



Guidance and principles

Define the goals of an organization and provide guidance about how to achieve objectives



Clarity

Help all stakeholders reach common understanding of policy objectives and how to implement



Consistency

Ensure that implementation processes do not deviate or deteriorate over time



Efficiency

Improve program implementation and performance by keeping all stakeholders “on the same page” through common understanding

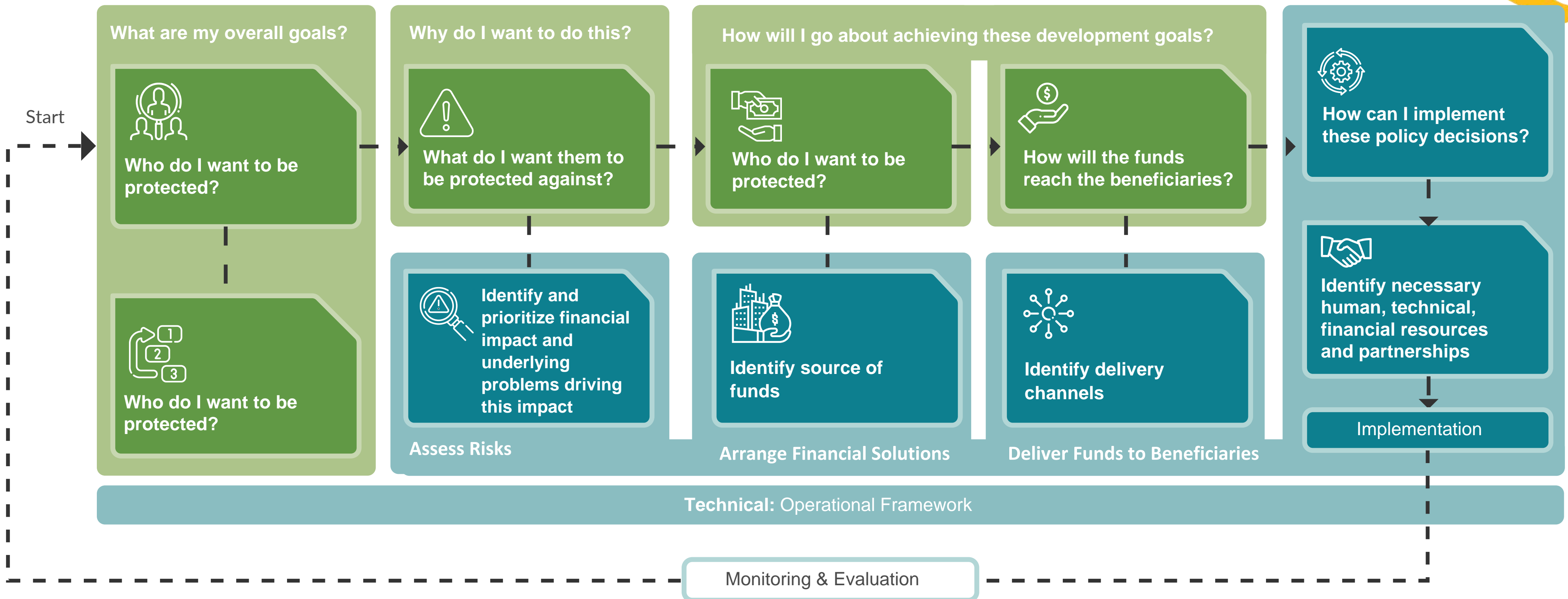


Accountability

Define clear roles and responsibilities

Policy Framework for DRF – Approaches

Setting Policy for DRF [Green: Policy areas; Blue: Implementation]



Identifying tradeoffs

Typical trade-offs

Sovereign autonomy



Donor 'control'

Proprietary



Open access

Market price



Scarce budgetary resources

Fiscal responsibility



Scarce resources

Aid



Fiscal responsibility

Aid



Development

Regional response



Sovereign autonomy










Short-term political attention



Long-term political stability



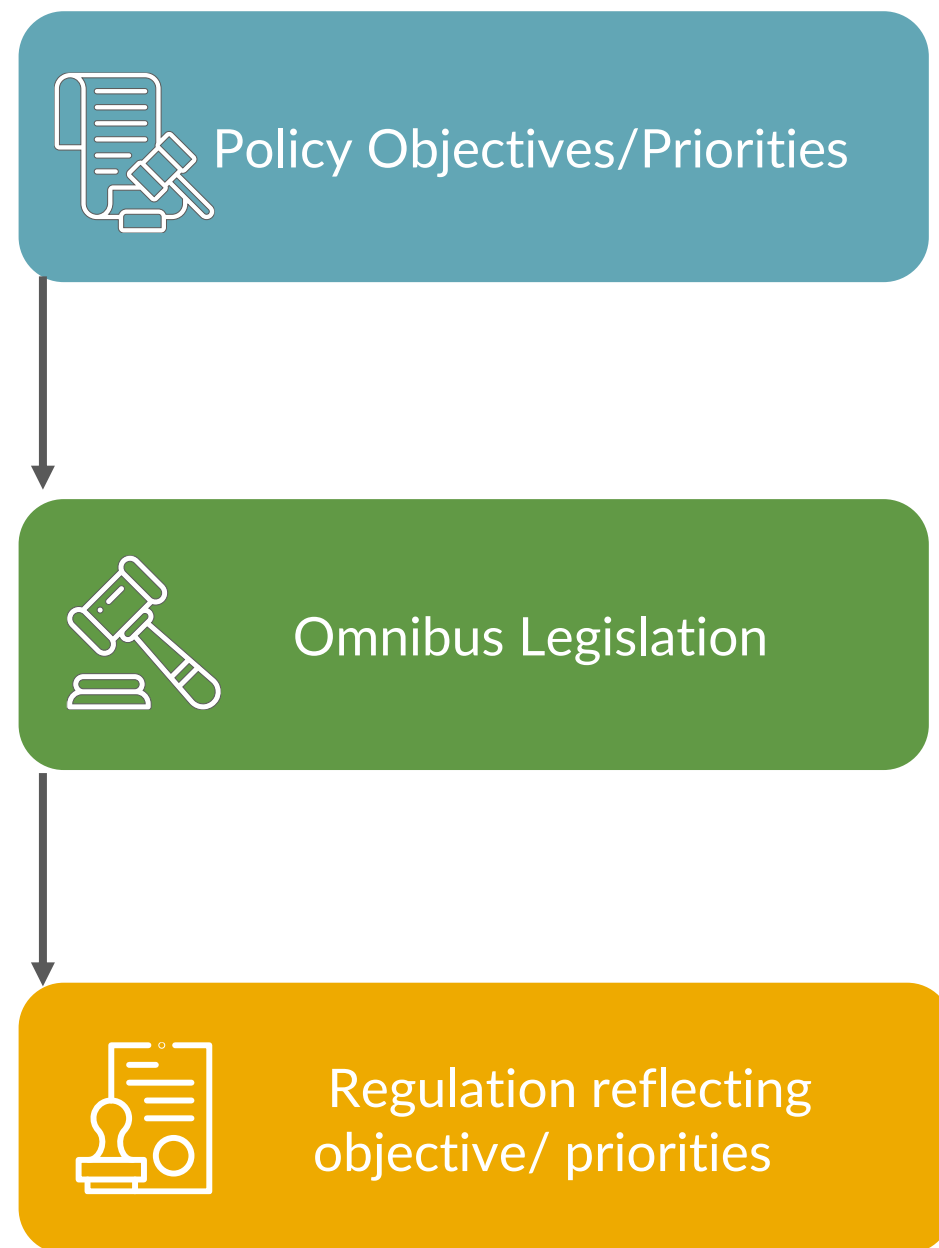
What is included in DRF policy

DRF Policy	Aspect	Description
	 Mandate	Statutory authorization to undertake the respective strategies and actions
	 Beneficiaries	Identification and prioritization of beneficiaries
	 Asset scope	Which assets will be protected under this Program
	 Perils scope	Which perils (e.g., natural disasters) will apply
	 Allocation of roles & responsibilities	Identification of which entities will be responsible for governing, managing, and administering a public asset financial protection program
	 Governance arrangements	How will the Program be monitored and evaluated over time
	 Funding arrangements	How will implementation be funded, and how will operational costs/premiums be allocated
	 Participation scope & obligations	Which entities can participate, and is participation mandatory or voluntary
	 DRF instrument scope	Which DRF instruments will/can be used

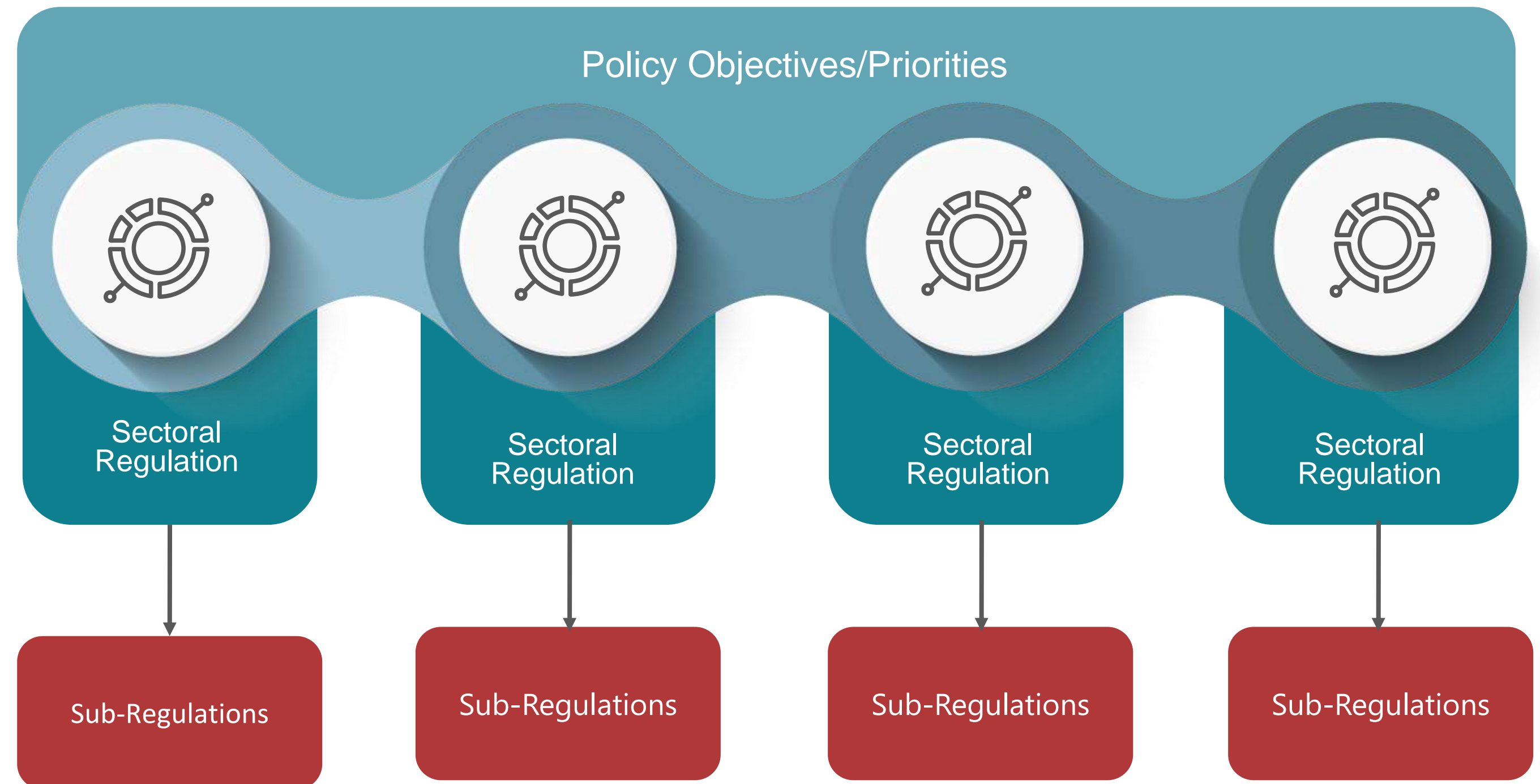
Regulatory and Institutional Framework for DRF - Approaches

Effective regulation and institutional arrangements come from policy objectives/priorities for the financial protection program and serve as a bridge between policy objectives and implementation

Omnibus Approach

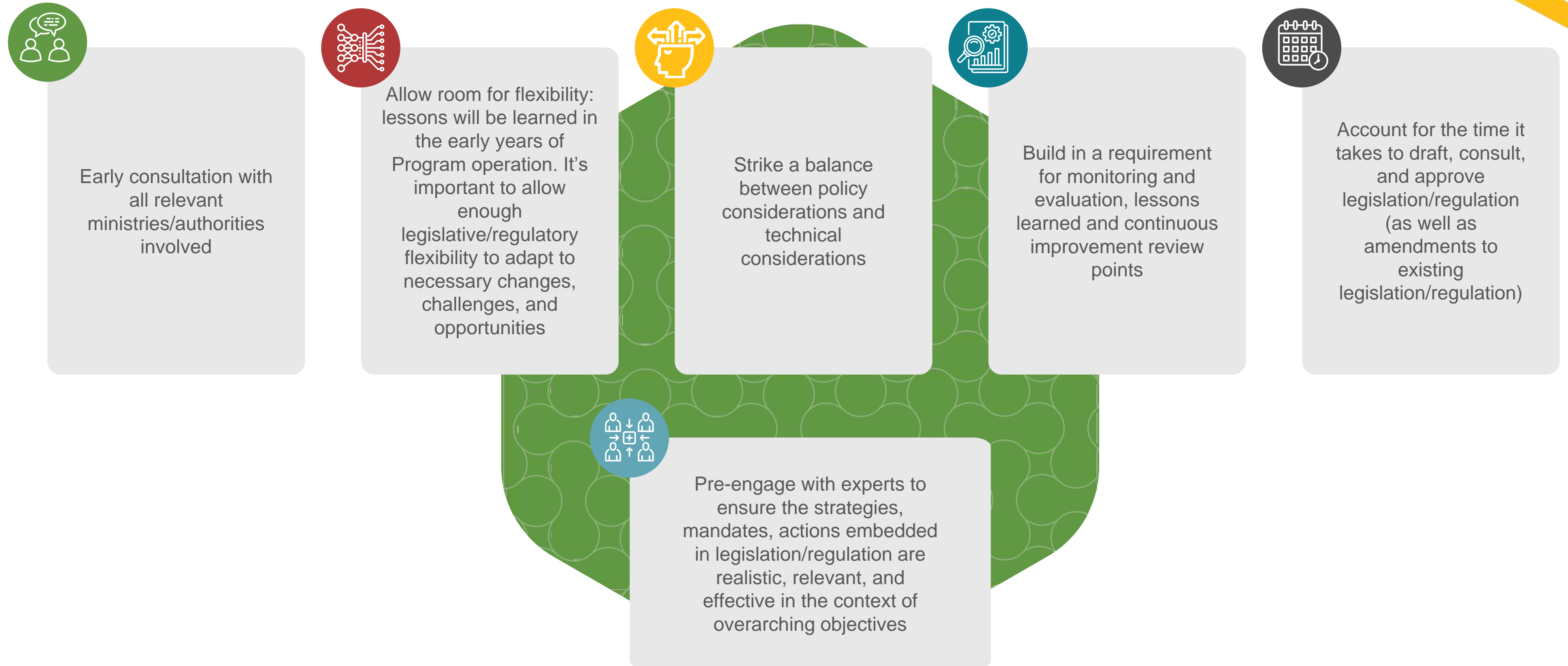


Sectoral Approach



Other Considerations

The legislative/regulation drafting process should account for the following:



Questions for Discussion

1. Has your country embarked on the development of policies and regulatory frameworks for disaster risk finance? Where does the country currently stand?
2. What are the challenges your government faces during such a development process? What can the government do to overcome these challenges?
3. When you return to your home country, what would you advise your senior management in improving the policy and regulatory framework for better financial protection against disasters?

