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Written statement by the University of the Philippines National College of Public Administration and Governance (UP NCPAG)

Agenda item 5: Institutions, climate action and environment

Combating climate risks should be everybody's business. Indeed, the role of the private sector, particularly the insurance industry, in meeting SDG 13 (climate action) is indispensable to ensuring that Governments are able to meet their targets by 2030. This is especially so since damage and losses from disasters, including those that are caused by the slow onset impacts of climate change (e.g. drought, heat wave, sea level rise, etc.), are borne largely by the private sector more than the public sector.

Any effort to reform and regulate the insurance industry to ensure that no one is left behind in the face of climate change must keep in mind that there are disadvantaged and vulnerable groups in many developing countries who are not covered by traditional insurance mechanisms due to a myriad of cross-cutting and intersecting factors brought about by poverty, lack of access to basic services and inequality. These stakeholders, many of whom belong to the informal economy, have neither means nor access to private insurance that could alleviate damage to property, disruption of livelihoods, and loss of lives arising from the aggravating impacts of climate-related disasters.

In the Philippines, the strategy at the State and sub-State levels encompasses labour market interventions, social insurance, social welfare, and social safety nets. While not without operational challenges, these are being pursued as a whole-of-government endeavour with vertical and horizontal linkages for coordination, cooperation and collaboration. The ambition in the long-run (i.e., by 2040) is to build a Filipino society that is *matatag* (strongly-rooted), *maginhawa* (comfortable), and *panatag* (secure).

Alongside transforming the insurance industry, government investment in adaptive and shock- and stress-responsive social protection mechanisms must be vigorously supported and promoted. At the same time, good practices and new ideas that will tie up traditional insurance with public sector social protection programs must likewise be explored, tested and scaled up. Overcoming structural and policy challenges in innovative practices, such as parametric insurance, microinsurance, and risk pooling, must be treated with urgency.

A large portion of the world's population still live in poverty and struggle with meeting basic needs, and for countries that are at high risk to a wide range of climatic- and non-climatic-related disasters, the challenge is daunting. In the midst of a changing climate, neither the government nor private sector can substantively and sufficiently meet the readiness and recovery needs of vulnerable groups, much less the whole society, on its own.