

Early Warning System

ADB-51312-001

City Disaster Insurance Pool Project

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Quick Facts

Countries	Philippines
Financial Institutions	Asian Development Bank (ADB)
Status	Proposed
Bank Risk Rating	C
Borrower	Government of Philippines
Sectors	Finance, Humanitarian Response
Investment Type(s)	Loan
Investment Amount (USD)	$ 100.00 million
Loan Amount (USD)	$ 100.00 million

Project Description

According to ADB website, the Philippine City Disaster Insurance Pool (PCDIP) will be structured as a dedicated insurance pool to provide cities with cost-effective, parametric insurance providing near-immediate payouts for post-disaster response.
It seeks to narrow the funding gap between available funds and post-disaster response costs at local government unit (LGU) level in the event of medium-to-high severity events. PCDIP will allow the cities to become self-sustaining in managing disaster risk and protecting and rehabilitating their assets and infrastructure in the event of damage.

Early Warning System Project Analysis

The ADB categorized the project E&S risks as 'FI-C'.

Investment Description

- Asian Development Bank (ADB)

Private Actors Description

As stated on one of the involved companies' websites, in support of the Philippine Department of Finance (DOF), the ADB engaged a consortium led by RMS Inc., and supported by EMI, Vivid Economics (VE), and Willis Towers Watson (WTW), to develop a pioneering city catastrophe insurance pool for the Philippines. The structure of the PCDIP, pricing and coverage were anchored on a modeled index using the RMS earthquake and typhoon cat models for the Philippines. EMI led the development of the asset exposure database for the ten (10) cities of the Philippines that were selected to serve as pilot cities.

As stated on the companies' websites:

Vivid Economics is a strategic economics consultancy firm with broad sustainability and macroeconomic capabilities. We help clients in all sectors around the world successfully navigate the risks and opportunities presented by the economy-wide transition to a more sustainable future.

In business since 1986, Return Management Services, Incorporated is considered a pioneer in the reverse logistics industry. Throughout our history and today, RMS is known for working to develop innovative custom solutions to reverse logistics challenges around the world. Regardless of the challenge, RMS promotes superior solutions across industry lines that effectively save time and reduce costs through its four main services.

EMI - Earthquakes and Megacities Initiative, Inc.'s mission is to advance knowledge, policy, and practice of urban disaster risk reduction, focusing on megacities and fast-growing metropolises.

Willis Tower Watson provides data-driven, insight-led solutions in the areas of people, risk and capital.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	EMI - Earthquakes and Megacities Initiative, Inc.	Contractor	Technical Cooperation
-	-	-	-	Return Management Services (RMS) Inc.	Contractor	Finance
-	-	-	-	Vivid Economics	Contractor	Finance
-	-	-	-	Willis Tower Watson (WTW)	Contractor	Technical Cooperation

Contact Information

No contact information provided at the time of disclosure.

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main

Bank Documents

- City Disaster Insurance Pool Project: Concept Paper [Original Source]
- Project Disclosure PDF [Original Source]