



ASEAN as 'Global Leader' in Disaster Management: A Problem of Finance?

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Will geopolitical shifts, waning multilateralism, and economic volatility undermine ASEAN efforts to strengthen financial mobilisation for disaster management? *Image from Wikimedia Commons.*

KEY TAKEAWAYS

- *Disaster management is coming of age in Southeast Asia, with 2025 marking a key year for ASEAN. Not only has it been 20 years since the ASEAN Agreement on Disaster Management and Emergency Response (AADMER) was signed, it also marks 10 years of the ASEAN Vision 2025 on Disaster Management.*

- *Financial uncertainties, particularly due to heavy dependence on external partners, play the biggest hurdle in achieving ASEAN's goal of becoming a global leader in disaster management.*
- *There is a need for ASEAN to invest heavily in developing stronger financial mechanisms for independent and sustainable financing for disaster management in the region.*

COMMENTARY

Southeast Asia has been noted time and time again as one of the world's most disaster-prone regions. While cooperation in disaster management in the region dates back to the 1970s, the 2004 Indian Ocean tsunami proved to be a turning point for the region. Since then, ASEAN's disaster management architecture has evolved significantly, as evident by the signing of the [ASEAN Agreement on Disaster Management and Emergency Response \(AADMER\)](#), along with the consistent development of various work programmes under AADMER, the formulation of the [ASEAN Disaster Resilience Outlook \(ADRO\)](#), and the issuing of various declarations such as the [ASEAN Declaration on One ASEAN One Response: ASEAN Responding to Disasters as One in the Region and Outside the Region](#) and the more recent [Kuala Lumpur Declaration on ASEAN 2045: Our Shared Future](#).

Throughout these various documents and declarations, ASEAN has always maintained a common goal – “to be a Global Leader in Disaster Management”, that is, to use the experience, expertise and knowledge gained in these past decades to build and maintain ASEAN's reputation on the global stage. This ambition of ASEAN was explicitly stated in the [ASEAN Vision 2025 on Disaster Management](#), in particular. In this document, three main elements were identified for this goal to be achieved – institutionalisation and communication, partnerships and innovations, as well as finance and resource mobilisation. Out of the three, the region's finance and resource mobilisation seems to be the most significant challenge facing ASEAN today.

Financial Uncertainties

The financial uncertainties of the disaster management sector present a persistent challenge to ASEAN. Between 2024 and 2025, the region [reported](#) 1,562 natural hazards – from earthquakes to tropical cyclones and floods – with over US\$1.2 billion in damages. According to the 2021 Intergovernmental Panel on Climate Change [report](#), extreme weather events in the region have significantly increased in the past decades and are projected to intensify further. The disbanding earlier this year of USAID, the US government's lead international humanitarian and development aid arm, has had severe impacts on the availability of funds around the world, not least in Southeast Asia where USAID had missions in at least half of the ASEAN member states. The drying up of funding support and resulting vulnerability of countries in the region points to the importance of ASEAN stepping up its disaster management role for it to achieve its vision of global leadership. Financial sustainability is critical in this respect.

The current funding arrangements for disaster management in ASEAN are heavily reliant on the contributions of external partners, the limitations of which are increasingly evident. For example, the revenue of the ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management (AHA Centre) in 2023 was approximately [US\\$11.95 million](#). Of this, ASEAN member states contributed US\$1.24 million, just over 10%. Contributions from ASEAN's Dialogue Partners and others make up close to 90% – a worrying proportion as it means that the financial sustainability of ASEAN's main operational coordination body for disaster management and of its ongoing humanitarian operations in ASEAN are dependent on its partners' domestic calculations and their continued interests in the region. The United States is not alone in reducing aid commitments, as seen in [Sweden's](#) recent announcement of its phasing out of aid in Myanmar.

The global economic slowdown coupled with international trade disputes, supply chain disruptions arising from the Russia-Ukraine war and various geopolitical factors add to the uncertainties surrounding the future of financial support from ASEAN's dialogue partners and other humanitarian aid donors. As such, in order for ASEAN to become a global leader in disaster management, it is evident that the organisation needs to be a bit more *self-reliant in disasterfinancing*.

ASEAN as a Global Leader for Disaster Financing

ASEAN has initiated reforms and innovations to diversify the modes and partnerships for financing at both the national and regional levels. This can be seen in its endorsement of the *Strategic and Holistic Initiative to Link ASEAN Responses to Emergency* ([ASEAN SHIELD](#)) concept paper and in the ADRO. Highlighted in both documents is the need to link the people of ASEAN to regional relief and recovery efforts by promoting a participative community. This involves the establishment of a platform that will enable the peoples of ASEAN to contribute during disasters – similar to the ADMER Fund, which allows for voluntary public contributions in addition to its main function as a voluntary fund for member states.

Another way in which ASEAN could expand its financial pathways is through the use of [catastrophe-linked bonds](#) (CAT bonds). This is not new to the region. The Philippines had its first two [sovereign catastrophe bonds](#) worth US\$225 million issued by the World Bank in 2019. This provided financial protection against losses from earthquakes and tropical cyclones for a period of three years, strengthening the state's long-term disaster management capacities, a process that might be replicated at the regional level through ASEAN mechanisms.

The private sector can also provide solutions to the financial challenges facing disaster management in ASEAN. [Diaspora bonds](#), for instance, are a financing instrument that ASEAN can leverage. In the past, diaspora communities have been [major sources of financing for socio-economic development](#) in developing countries, including in times of disaster. Several ASEAN member states have large expatriate populations. These include [the Philippines](#), which is fourth among the top countries receiving remittances from their diaspora communities. Such remittances represent a potentially vast pool of financial resources for disaster management, which ASEAN can use to develop a systematic and sustainable financial model.

Engaging the people, public and private sectors is not a new solution. Nevertheless, the urgency behind the need to draw on these financial innovations is only increasing. It has now virtually become a call to arms that ASEAN needs to answer to.

Moving Forward

The year 2025 has been a tumultuous one so far. There have been significant geopolitical shifts, with multilateralism waning, a volatile economic outlook for most countries and internal divisions in much of the world. With the pressure on the international humanitarian system unlikely to ease in the near future, ASEAN must re-examine its existing modes of engagement and dependencies in its quest to be a global leader in disaster management. This is particularly vital in terms of securing its financing avenues. ASEAN member states should take advantage of the opportunities that have emerged during this time of over-stretched resources through avenues such as advances in technology or the private sector rather than rely solely on traditional sources of funding. Only then will the regional grouping ensure the long-term sustainability of its disaster management ecosystem.

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