

10 Building Resilient Communities



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Building resilience and sustainability through a shared value partnership approach

Communities in South Africa are more exposed to the unpredictability of climate change and weather volatility than those in Europe, the United Kingdom, and the United States (U.S.). Losses due to drought, flood, and wildfire pose significant risks to lives and livelihoods in both rural and peri-urban settlements.

Santam's Partnership for Risk and Resilience (P4RR) was established in response to a government appeal for private sector support of municipalities through the 'Adopt a Municipality' initiative. We aligned the programme with our long-term aspiration to narrow the risk protection gap, recognising that the most effective way to achieve this is to develop affordable and accessible insurance solutions, educate, and strengthen capabilities at a municipal level.

Over the past 12 years, we have invested more than R120 million in building resilient communities, supported 102 municipalities, and reached over 28.8 million people.

Every year, we expand our programme with new partnerships to support more vulnerable communities. Most recently in 2023, we partnered with the Joe Gqabi and Pixley Ka Seme District Municipalities, and earlier in 2025, the City of Ekurhuleni and Nkangala District Municipality. Partnerships run for three years and include equipment donations, risk mitigations such as flood reduction activities, and critical training.

City of Tshwane stormwater cleaning initiative
The City of Tshwane faces increasing flood risks due to blocked stormwater drainage systems. Littering, and other urban challenges, which has been the cause of significant losses.

To tackle this problem, the City partnered with Santam's P4RR programme to launch a pilot project aimed at cleaning stormwater drainage facilities in three targeted regions. This initiative commenced in November 2023 and ran for 16 months – imparting valuable experience and skills to 10 learners selected by the City's Leadership Academy.

Santam is supporting the project by providing stipends and personal protective equipment (PPE) for the learners, as well as funding the hire of specialised high-pressure machinery necessary for effective cleaning. Through this initiative, Santam and the City have cleaned over 1 000 stormwater catchpits, mitigating flood risks in the process. Santam plans to replicate this initiative in other high-risk areas.

District Municipalities such as the Cape Winelands, Capricorn, Overberg, and Thabo Mofutsanyane have reached the end of their participation in the P4RR programme with a range of positive outcomes. The development and implementation of Climate Change Adaptation (CCA) plans stands out as a key risk management milestone alongside an improved understanding of risk among councillors and traditional leaders. Each of these districts also reported improved morale among firefighters and disaster risk management personnel.

The P4RR initiative is designed in such a way that when Santam's involvement ends, the District Municipality is empowered to continue along its resilience and sustainability path – these are the advantages of partnerships based on shared value, with a focus on collaboration, co-creation, and ownership.

P4RR aims to capacitate municipalities to manage disaster risks and help them to build resilient, sustainable communities. Most of the districts we partner with receive resources in the form of equipment alongside training on CCA plans. These plans are based on a credible and scientific risk profile of each district and are implemented in partnership with the Council for Scientific and Industrial Research (CSIR).

Santam intends for municipalities to continue benefiting long after the three-year P4RR partnership comes to an end. One way to achieve this is by training municipal employees in important areas like firefighting and risk management, embedding these skills within the municipal frameworks.

In an exciting development, the P4RR model has been replicated in the form of a multi-insurer supported Fire Services Fund. Through collaborations with relevant partnership, including organs of state, this fund aims to build resilient solutions for fire services in South Africa. This cements the P4RR as a catalyst for sustainable change.

Enhancing veldfire response
The Cape Winelands District Municipality has faced significant challenges in responding to veldfires.

In November 2021, Santam, alongside several insurers, launched a pilot programme through a consortium to establish a Quick Reaction Force (QRF) to enhance aerial firefighting capabilities. This initiative focuses on rapidly responding to fire incidents within a 50km radius of Stellenbosch to prevent the spread of fires until ground-based resources can arrive.

Santam has played a pivotal role in the ongoing implementation of the QRF. In 2024, the programme expanded to the lowveld area, specifically around Mbombela, in collaboration with the Lowveld Escarpment Fire Protection Association. These initiatives have since proven their worth in protecting livelihoods and reducing fire-related losses and fatalities. As an example, a fire broke out at Skukuza Airport in October 2024. The QRF team was deployed and their fire suppression efforts successfully contained

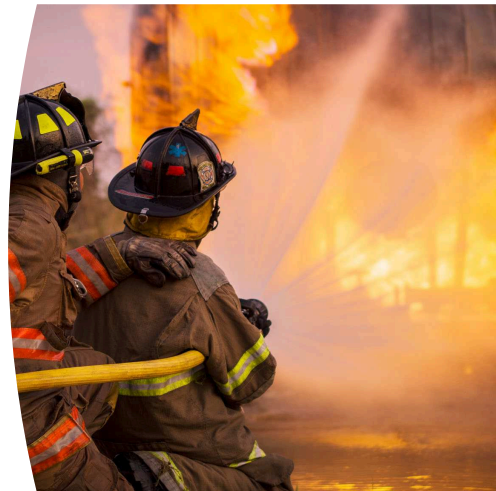
and minimised damage to the facility, allowing operations to continue.

In recent years, flood events in the Eastern Cape, KwaZulu-Natal, and Western Cape have highlighted the disproportionate impact of such disasters on vulnerable communities. Aside from the P4RR programme, Santam directs corporate social investment expenditure towards disaster response. When risk mitigations are inadequate, fail, or when the catastrophe is simply too large, an all-hands-on-deck response is essential.

One standout flood risk mitigation initiative involved a collaboration between P4RR and Santam's Risk Services Division. We teamed up to conduct flood modelling studies in selected high-risk areas in Ladysmith, Bethlehem, and on the Vaal River from Bloemhof to Douglas. These studies provide up-to-date risk data critical for underwriting and risk mitigation initiatives.

There is also real potential to expand the P4RR into the areas identified by corporate and commercial survey respondents as ways to mitigate against extreme weather losses, including building flood defences, clearing vegetation, and improving maintenance. Incorporating businesses into a coordinated flood and wildfire defence initiative can significantly enhance the resilience of entire communities.

Businesses often have resources, expertise, and logistical capabilities that, when combined with governmental and community efforts, can create robust defence mechanisms against extreme weather events. Insurers can also play a key role by investing in infrastructure upgrades such as flood barriers and firebreaks and embedding resilience practices into their underwriting criteria.



A public-private partnership (PPP) approach allows for shared responsibilities and benefits, making it easier to pool resources, share risks, and leverage expertise across sectors. This model not only amplifies the impact of resilience-building efforts, it also aligns the interests of businesses and communities in creating safer, more future-fit environments. Furthermore, businesses participating in such initiatives can often enhance their reputation and demonstrate their commitment to being good corporate citizens.

The P4RR shares some characteristics with PPP, but its primary focus is on risk management and building resilience rather than infrastructure development – P4RR is about capacity building within municipalities, whereas PPP is about partnering with government on big capital projects.

Brokers are in support of either approach, as indicated by survey respondents who favoured both P4RR (51%) and insurer involvement in PPP (45%) as ways for the insurance industry to support government in addressing risk from deteriorating infrastructure.

There is a growing hope that insurers can find workarounds for the country's tough competition legislation and collaborate on infrastructure-related initiatives. Insurers can address systemic issues more effectively together as opposed to competing in fragmented approaches. The multi-insurer QRF initiative offers a glimpse of what can be achieved when insurers put their collective minds to a challenge. It is a successful, sustainable annual programme that protects lives and livelihoods

through rapid response to wildfires in the Western Cape Winelands and Lowveld.

The pressing question is whether similar partnerships can help stem the rising costs associated with extreme weather-related disasters, cybercrime, and aging infrastructure – and whether cross-sector collaborations can measurably reduce rising losses. In Santam's world, the initial feedback from P4RR is promising. We believe that implementing climate change adaptation plans at the district municipality level will yield dividends over the long term, as will municipality-specific interventions like the stormwater drainage cleaning initiative piloted in the City of Tshwane.

The hands-on approach under P4RR allows for tailored solutions that directly address local needs, aligning with Santam's overarching social impact goals. There is no one-size-fits-all approach to the challenges presented by climate change – and we have to engage local partnership in alignment with broader global focuses.

Building resilient communities safeguards economic, natural, and social capataly. Programmes like P4RR contribute to sustainable underwriting by ensuring that communities can withstand and recover from risks, ultimately reducing claims and supporting our long-term industry viability.

Collaboration among partnership is crucial for building resilient communities. Each stakeholder in the P4RR remit brings unique strengths:



communities provide local knowledge and engagement; government offers policy frameworks and resources; research institutes bring research instruments and capabilities; and NGOs are often on the ground providing disaster support. Finally, insurers contribute risk management expertise and financial support.

Since the 2023 Insurance Barometer report, there has been a notable improvement in municipality buy-in to the P4RR process. More municipalities are recognising the value of partnering with the programme, seeing us as vital allies in safeguarding communities against risks. This growing interest reflects a broader acknowledgment of the importance of collaboration in risk management.

The Green Book online resource
The Green Book is an online research designed to empower municipalities in spatial planning and human settlement development within the climate change adaptation construct. Initially, this project focused on equipping 24 municipalities with climate change adaptation (CCA) plans. To date, 20 have received comprehensive plans, while 4 were trained to utilise the Green Book effectively. Over the next two years, the emphasis shifts to implementation. Santam and the CSIR are working with the Ugu and Vhembe District Municipalities to integrate CCA plans into essential municipal frameworks like Spatial Development Frameworks, Integrated Development Plans, and Disaster Management Plans.

Among the positive outcomes is that municipalities are more prepared to allocate resources toward risk mitigation efforts, understanding that proactive investment in resilience can save substantial costs in the long run. By directing funds to such initiatives, municipalities can reduce the impact of disasters and ensure more stable and secure communities.

The P4RR programme plays a central role in strengthening local disaster preparedness and response capabilities. Through close collaboration with municipalities and communities, P4RR supports the development and implementation of effective disaster management plans and promotes risk awareness to mitigate the impact of natural and man-made hazards. These initiatives contribute to fewer losses, faster recovery, reduced claims, and improved financial stability for insurers and policyholders alike, while aligning with broader sustainability and corporate responsibility objectives.

A synergistic approach ensures that resilience-building efforts are comprehensive and sustainable.

