

SUMMARY

The [National Mitigation Investment Strategy](#) (“NMIS” or Mitigation Strategy) is a single national strategy for advancing mitigation investment to reduce risks posed by natural hazard (for example, floods, hurricanes, tornados, wildfires, earthquakes) and increasing the nation’s resilience to natural hazards.

The Mitigation Strategy aims to promote understanding, access, coordination, and practice related to mitigation investment across all levels of government, as well as communities, individuals, the private sector, and non-governmental organizations. The Investment Strategy encourages the whole community—including individuals—to invest in mitigation by adopting the Investment Strategy’s three shared goals. Supporting recommendations focus specifically on how the federal government and nonfederal partners can identify, support, influence, and align whole community mitigation investments.

The Mitigation Framework Leadership Group (MitFLG) will be responsible for guiding implementation of the Investment Strategy; implementation will involve the whole community. The MitFLG will periodically evaluate the success of implementation efforts led by the whole community.

The Investment Strategy provides a national approach to mitigation investments that is grounded in three fundamental goals:

GOAL 1: Show How Mitigation Investments Reduce Risk

The whole community will build a shared understanding of mitigation investment and its value. Specifically, the whole community will understand how mitigation investments can protect people, homes, neighborhoods, cultural and historic resources, ecosystems, and lifelines (for example, communications, energy, transportation, and water). The federal government and its nonfederal partners will create a shared vocabulary and common measures to communicate information about risk and find opportunities to educate, hire, train, and develop a base of qualified mitigation professionals.

GOAL 2: Coordinate Mitigation Investments to Reduce Risk

The whole community will coordinate mitigation investments through shared risk information, reinforced strategies for risk reduction, and easier access to funding. Such coordination will help the whole community justify mitigation investments and choose the most cost-effective and reasonable actions.

GOAL 3: Make Mitigation Investment Standard Practice

The whole community will factor mitigation into all investment decisions, especially for buildings and infrastructure. The federal government and its nonfederal partners will promote financial products that protect mitigation investments from risk. The federal government and its nonfederal partners also will make mitigation standard professional practice critical to lifelines, services, and national safety and security.

KEY MESSAGES

- Recent studies show that investments made in stronger building codes prior to disaster will ultimately save money in disaster response and recovery costs in the future.

- FEMA and its federal partners consulted with experts across governmental agencies, academia and non-governmental organizations to develop a [National Mitigation Investment Strategy](#) that is intended to improve coordination and effectiveness of investments made in mitigation efforts to help build safer and more resilient communities.
- By substantially increasing our collective investments in mitigation, we can ultimately lower communities' risk, save lives, and reduce the human impact of disasters for the next generation.

TALKING POINTS

- After Hurricane Sandy, the [Government Accountability Office \(GAO\)](#) tasked FEMA to establish an investment strategy to identify, prioritize, and implement federal investments in disaster resilience that will limit the nation's financial exposure to disaster losses. While we don't know the specifics of future weather events, we do know that the frequency and impact of disasters is rising nation-wide and the human cost of disasters continues to grow.
- FEMA convened with its interagency partners through the Mitigation Framework Leadership Group (MitFLG) to create a single national strategy for investment in mitigation.
- The MitFLG took on the challenging effort of developing a National Mitigation Investment Strategy (Investment Strategy) to support the alignment of pre- and post-disaster mitigation investments.
- Mitigation investment sources include federal departments and agencies; state, territorial, tribal, and local governments (SLTTs); and private and non-profit sector entities such as businesses, philanthropies, foundations, universities, and other non-governmental organizations.
- This NMIS commitment to safeguard the whole community from natural hazards by more effectively and efficiently leveraging and coordinating mitigation investments.
- Although ambitious, the goals and recommendations communicated in the Investment Strategy are achievable through maximum participation from the whole community, and consistent collaboration between the federal government and its vital nonfederal partners.
- The Investment Strategy provides an opportunity to be more intentional about setting resilience and mitigation investment priorities and will increase the ability of federal departments and agencies to plan and justify budgets and resources that invest in mitigation and resilience due to the amount of disaster loss reduction anticipated from these investments.
- The three fundamental principles in which the Investment Strategy is grounded are:
 1. Empower and facilitate private and non-profit sector mitigation investments and innovation;
 2. Improve collaboration between the federal government and SLTTs, respecting local expertise in mitigation investing; and
 3. Make data- and risk-informed decisions that include lifetime costs and risks.
- The Investment Strategy's overarching goal is to improve the coordination and effectiveness of "mitigation investments," defined as risk management actions taken to avoid, reduce, or transfer risks from natural hazards, including severe weather.

- The NMIS provides a national approach to mitigation investments that is outlined through three overarching goals:
 - Goal 1: Demonstrate How Mitigation Investments Reduce Risk:
 - By providing stakeholders with foundational understanding of how mitigation investment protects what they value.
 - To do this, we are working with the [Natural Hazards Center \(NHC\)](#) as a bridge to the academic community. Through webinars, research grants and publications we are helping to make sure information gets to those who need it at the state, local tribal and territorial level.
 - Goal 2 is to Coordinate Mitigation Investments to Reduce Risk:
 - We will do this by fostering better understanding of risks (quality risk data) to support investment decisions; assuring alignment of programs and incentives toward risk reduction goals; reducing complexity in access to investment funds.
 - The whole community needs access to risk information so that decision-makers are equipped to make informed decisions when carrying out comprehensive planning regarding mitigation investments.
 - The federal government and SLTT governments can play an important role in identifying, centralizing, and distributing available risk information to provide the whole community with a more complete picture of potential mitigation investment needs, costs, and benefits.
 - Goal 3 is to Establish Mitigation Investment as a Common Practice:
 - By leveraging best practices, and outlining resilient building code standards, FEMA plans to document how national stakeholders are participating in mitigation activities, specifically localized decisions to enhance building codes, infrastructure standards and the use of financial products that maximize mitigation dollars invested (i.e. insurance, CAT bonds, resilience bonds).
 - A 2018 study by the National Institute of Building Sciences (NIBS) found that hazard mitigation can save \$4 for every \$1 spent when using OMB's 7% discount rate, and \$6 for every \$1 spent when using a 2.2% discount rate. NIBS used the 2.2% discount rate in both studies, partly because it would provide a useful comparison between studies, and partly because the study team felt that it was a more appropriate rate for the type of analyses.
 - A discount rate is the time value of money. Different organizations may use different discount rates.

FREQUENTLY ASKED QUESTIONS

What is the Mitigation Framework Leadership Group (MitFLG)?

- MitFLG is a national coordinating structure, authorized by the Post-Katrina Emergency Management Reform Act of 2006, established to organize mitigation efforts across the federal government. The MitFLG is composed of federal, state, local, tribal, and territorial public-sector representatives.

- The MitFLG focuses on integrating federal efforts to deliver the mitigation core capabilities in the National Mitigation Framework and assesses the effectiveness of mitigation capabilities as they are developed and deployed across the nation.

What is the future implementation strategy?

- Continuing through 2022 and beyond, the MitFLG will facilitate collaboration between the federal government and nonfederal partners to develop annual initiatives for implementation-based Investment Strategy recommendations. Implementation Team initiatives will leverage existing policy to elevate awareness and participation, develop coordinated tools and resources, improve incentives, and encourage innovation.

Why do we need a National Mitigation Investment Strategy?

- Major disasters like Hurricanes Harvey, Irma, and Maria, EF-5 tornadoes in Oklahoma, and extreme weather events in Colorado and Louisiana persistently test our nation's capacity to adapt and recover. Federal, state, local, tribal, territorial, non-profit, and private sector organizations have accepted the challenge to make communities and critical infrastructure less susceptible to these hazards. However, each organization has different approaches, funding sources, mandates, and requirements for investing in efforts to mitigate disaster risk. This disparity has created a complicated mix of priorities and pathways through which communities must navigate if they want to build back better.
- In July 2015, the [Government Accountability Office](#) recognized this challenge and suggested the federal government develop a National Mitigation Investment Strategy to support the alignment of pre- and post-disaster mitigation investments.¹ A National Mitigation Investment Strategy (Investment Strategy) would increase the effectiveness of investments in reducing disaster losses and increasing resilience, and provide strategic planning considerations for the federal government, as well as state local, tribal and territorial entities and the private sector in making resource allocation decisions. The MitFLG took on this challenging effort.
- The MitFLG has assembled a working group of federal, state, local, tribal and territorial representatives to develop the Investment Strategy. The working group will focus on stakeholder engagement, review of relevant research and data, and recommendation development. A draft Investment Strategy for public comment was released in January 2018 to promote additional feedback through both the MitFLG and public engagement, and the final Investment Strategy was released on August 13, 2019.

What are the goals of the Investment Strategy?

- The Investment Strategy provides a national approach to investments in mitigation activities and risk management across the United States for federal departments and agencies; state, local, tribal and territorial governments (SLTTs); and private and non-profit sector entities such as businesses, philanthropies, foundations, universities, and other non-governmental organizations. The Investment Strategy is grounded in three fundamental principles: (1) empower and facilitate private and non-profit sector mitigation investments and innovation; (2) improve collaboration

¹ Government Accountability Office. *Hurricane Sandy: An Investment Strategy Could Help the Federal Government Enhance National Resilience for Future Disasters*. July 2015. Available online at: <https://www.gao.gov/assets/680/671796.pdf>.

between the federal government and SLTTs respecting local expertise in mitigation investing; and (3) make data- and risk-informed decisions that include lifetime costs and risks. The Investment Strategy's overarching purpose is to improve the coordination and effectiveness of "mitigation investments," defined as risk management actions taken to avoid, reduce, or transfer risks from natural hazards, including severe weather.

- To achieve its goals while staying consistent with the fundamental principles, the Investment Strategy provides recommendations, organized by the following three goals:
 - Show How Mitigation Investments Reduce Risk
 - Coordinate Mitigation Investments to Reduce Risk
 - Make Mitigation Investment Standard Practice

What does the group need at this time?

- The MitFLG, through the support of its federal, state, local, tribal, and territorial public-sector representatives, has established the NMIS Implementation Team to guide implementation of the Investment Strategy.
- The Implementation Team supports the achievement of the Investment Strategy and serves as a catalyst to identify and promote investments in mitigation that are effective in achieving the NMIS goals. To achieve these goals, the Implementation Team will pursue the following objectives:
 - Facilitate effective use of Federal mitigation resources by cataloging and aligning Federal mitigation activities, programs, and resources:
 - Identify, compile, and analyze current and planned mitigation-related initiatives, activities, and policies across federal and state mitigation programs.
 - Present the MitFLG with ideas, actions, and/or initiatives for implementation, and propose recommendations for optimizing, sequencing, and prioritizing federal mitigation initiatives and programs.
- Increase national demand for mitigation via cross-sector coordination and collaboration.
 - Build partnerships, especially with non-traditional partners that expand the reach of federal and SLTT (non-federal) mitigation-related initiatives.
 - Identify ways to incentivize action and make risk reduction and resilience mainstream.
 - Demonstrate progress towards mitigation investments and actions that reduce trauma, improve wellbeing, and limit damage to the built and natural environment.

Implementation will involve the whole community, and your participation in this process is critical. For more information and opportunities to get involved, please visit our website at www.fema.gov/national-mitigation-investment-strategy. You can also share your ideas, thoughts, and concerns at fema-nmis@dhs.gov.