

 **DISASTER RISK FINANCE FOR PUBLIC INFRASTRUCTURE ASSETS IN THE DEVELOPING WORLD: OPPORTUNITIES AND CHALLENGES**

14 JULY 2021



The first dialogue in the Disaster Resilient Infrastructure (DRI) Dialogue Series on 'Finance for Resilient Infrastructure' discussed several key questions regarding the design, scope, and viability of disaster risk financing (DRF) schemes for public infrastructure. It focussed on delivering sovereign DRF solutions for protecting public infrastructure assets in the developing world.



KEY DISCUSSION POINTS

-  What has been the global experience in implementing DRF solutions to build financial resilience of governments and public infrastructure? What are the important learnings for the developing world?
-  What are the key challenges in designing and implementing DRF solutions for public assets from demand and supply side of the system?
-  What are the key consideration(s) for designing risk financing solutions for critical infrastructure in developing countries?
-  How big is the 'data challenge'? How can we address it, particularly in the context of developing economies where there is a lack of scientific record-keeping, in general?
-  How critical is the role of governments and multilateral organizations in providing and enabling risk financing solutions in developing countries?
-  How do we ensure a pro-poor focus of risk financing for public infrastructure? Can they be linked to the needs of poor and vulnerable people?

DRI DIALOGUE SERIES 2021:
FINANCE FOR RESILIENT INFRASTRUCTURE

1st Dialogue: 14 July 2021

2nd Dialogue: 23 Sept 2021
(CDRI Day)

3rd Dialogue: 3 Nov 2021
(COP26)

PARTNERS



ACTION POINTS

- ❖ Climate change will exacerbate disasters, increasing risk finance requirements. There is an urgent need to address the rising fiscal needs following disasters. A suitable method of developing country focused tools for risk finance needs to be put in place considering income levels, geography, demography etc.
- ❖ Resilient Infrastructure is more about people and not just the assets. The direct damages to infrastructure affect other interdependent economic services and institutions leading to larger economic impact. Pre-planned risk finance strategy could help in providing adequate and timely financing to protect both people and developmental gains.
- ❖ There is a need to integrate climate and disaster induced risk into fundamental fiscal plans to create incentive of resilience into society.
- ❖ A whole ecosystem needs to be built to advance this fiscal risk awareness agenda. This ecosystem should have 4 components:
 - ❖ Need some entity to support long term technical assistance to Government like a national risk planning board.
 - ❖ Need to improve availability of risk data and knowledge dissemination and exchange globally by enhancing partnership of potential stakeholders.
 - ❖ Need to emphasize on the utility of risk pools for developing countries as the architects of building fiscal resilience since they not just provide insurance, but a whole system of governance.
 - ❖ Need greater collaboration with the private sector to leverage its expertise in managing financial risks through public-private-partnerships so as to transform infrastructure investments into resilient pathways.

PANELISTS



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The CDRI-DRI Dialogues facilitate the engagement of thought leaders and practitioners across civil society, academia, government, and private sector on challenges and solutions for promoting resilience of existing and new infrastructure. These dialogues explore mechanisms that allow different stakeholders to come together and work with CDRI to shape the narrative on DRI through their experiences and insights.