Understanding Risk for Financial Resilience: Partnership Day

May 14, 2018

Palacio de Mineria, Mexico City, Mexico

Agenda

8:30–9:00	**Plenary: Opening Remarks [Room: La Capilla]**
9:00–9:30	**Plenary: Interactive Game to set the stage [Room: La Capilla]**

Understanding and assessing financial risk through collection, analysis, and use of data

9:30–11:00	**Analyze and understand risk: the basis of successful disaster risk financing** **Room: La Capilla** This session will bring together global experts in the risk modeling and financing fields, who are actively working with governments to develop national and regional financial resilience in the face of increasing disaster risk. Using a selection of innovative risk financing projects, we will discuss initiatives designed to address the global protection gap, showcasing practical examples of how risk modeling is informing disaster risk financing and insurance schemes, which aim to fund response and recovery to disasters and contribute to closing the global protection gap.	**The role of satellite data in disaster risk financing** **Room: C11** This session will show how newly available satellite Earth Observation (EO) techniques can feed into an integrated DRF/DRM approach with a focus on operational user requirements. It will use concrete examples to present the potential and limits of EO to support the understanding, monitoring and mitigation of risks and will address exposure mapping, disaster impact monitoring, hazard mapping and climate change susceptibility assessment. The session will raise risk awareness and discuss risk profiles. Also, presentations will be made very visual and maps or animations will be encouraged through the session.
11:00–11:30	Coffee Break	

Arranging financial solutions

11:30–13:00	**Calibrating risk finance instruments and understanding tradeoffs** **Room: La Capilla** Latin American countries have been early leaders in the development of risk financing mechanisms. The session will reflect on the experience of Latin America, look to examples from other countries, and then see what lessons learned can be brought back to Caribbean countries as they recover from an especially severe cyclone season. It will be opened by a framing overview of the experience of building risk financing strategies in Latin America, followed by short interventions from a panel of representatives from governments that have made strong progress in becoming effective risk managers. These officials will share key considerations in designing and implementing financial protection strategies and their experience in scaling up disaster risk financing within their own countries.	**Using data and information to trigger financing for early action** **Room: C11** In an increasing number of countries, the financial decision makers are becoming proactive risk managers by implementing disaster risk financing instruments. In this session development partners and donors will provide an overview of early experiments to mobilize and release resources before a disaster shocks occurs and share their thoughts on how to bring these experiences to scale. A panel with hazards specialists will then discuss objective hazard based triggers for both geophysical and meteorological hazards and the role this plays in financial decisions. Countries will share their experiences on the key actions and data needs to inform the design of these products and how their needs could be better met.
13:00–14:00	Lunch	
14:00–14:30	**Plenary: FONDEN: Mexico's Disaster Management Fund** **Room: La Capilla** FONDEN is a natural disaster fund established in the late 1990s as a mechanism to support the rapid rehabilitation of federal and state infrastructure affected by adverse natural events. This session will provide an overview of FONDEN's policy and institutional framework, and provide a space for interactive dialogue between participants and FONDEN related officials from Ministry of Finance and Agroasemex (Public Insurance company). The session will aim to help participants understand how FONDEN was developed and implemented in Mexico and address specific questions from the participants including on public asset database management, risk assessment tool (R-FONDEN), and risk retention/transfer schemes including issuance of catastrophe bonds.	

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	Delivery of funds to beneficiaries	**Knowledge and Capacity Building: Training Track**
14:30–16:00	**The last mile – private sector solutions to delivering financial assistance to the poor** **Room: La Capilla** Private sector is well placed to push the innovation frontier on implementing risk transfer solutions for the vulnerable, including specific tasks such as risk-based pricing, risk event forecasting, risk estimation, distribution of payouts claims estimation, and objective and transparent data collection. More and more private sector actors in low and middle-income countries, with guidance and oversight of the public sector, are developing affordable, efficient and effective risk management products for the poor and vulnerable using risk financing. This session will showcase some of these solutions, providing a platform for national private sector actors to share their knowledge and experience working on the disaster risk finance agenda. The session will also share emerging evidence of such interventions, in addition to how key donors view the important role of the private sector in disaster response.	**Fundamentals of Disaster Risk Finance** **Room: C11** This session will be a training through a simulative learning experience. It will help participants understand how governments make different trade-offs in the aftermath of a disaster. The Fundamentals of Disaster Risk Finance course is designed to raise participants' understanding of a range of innovative financial instruments used in Disaster Risk Financing projects across the globe. This training will focus four core principles of Disaster Risk Financing (DRF) and five practical steps towards building a solid DRF strategy. It will outline the purpose, scope, development impact and basic principles of DRF that can start a conversation on Risk Financing with relevant stakeholders. We will take an interactive approach through role plays, online tools and small group discussions.
16:00–16:30	Coffee	
	Delivery of funds to beneficiaries	**Knowledge and Capacity Building: Training Track**
16:30–18:00	**Learning across multi-sovereign risk pools to increase financial resilience to disasters** **Room: La Capilla** Sovereigns, with the help of the World Bank and other development organizations, are working together via multi-sovereign risk pools to increase financial resilience. The structure of these risk pools, the types of disasters that they cover, and the technical capability for resilience varies widely. There are however, two key commonalities. First, they address highly uncertain risk that has been neglected by technical experts due to lack of sovereign-level data for measurement and modelling. Yet these risks can become an economic, social, and political issue for sovereigns, particularly in the aftermath of a crisis. Second, these multi-sovereign risk pools work at the intersection of many different stakeholders, which come from different thought worlds and have different technical understandings of, and interests in, the use of financial instruments to build resilience. In this session, we will discuss these key issues to provide opportunities for learning about how to better address uncertain risk and increase resilience to disaster in a multi-sovereign context.	**Using Data in Disaster Risk Financing (A Case Study from Uganda)** **Room: C11** The fiscal impact of natural disasters is one of the largest unknown variables that governments struggle to quantify. While historical damages and losses from natural hazard events may be recorded, governments often have limited financial data to understand their fiscal exposure to climate-related and seismic hazards. To effectively manage public finances and DRF strategies that address the costs of natural disasters, financial managers and decision makers need risk information and analytical tools to quantify such financial impacts, and to evaluate options to manage costs. The Data and Analytics Module will: 1. Demonstrate how DRF analytics and tools effectively bridge the gap between risk data and quantitative analysis to decision making; 2. Provide details of the catastrophe risk data and information required to conduct analyses, such as historical hazard information, disaster losses and damages, costs of emergency relief, and values of public assets; 3. Demonstrate the use of DRF through a real-world case-study on scaling up shock responsive safety nets in Uganda.