

LATIN AMERICA AND THE CARIBBEAN FORUM:

Strengthening Social Protection for Disaster Resilience

**Strengthening Social Protection
for Disaster Resilience
in Latin America and the Caribbean**

***Financial Mechanisms for Adaptive Social
Protection Systems***

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World Bank



Protecting Livelihoods and Development



FINANCIAL COSTS ARE STILL INCREASING

- ECONOMIC GROWTH
- ASSET CONCENTRATION
- URBANIZATION
- CHANGING CLIMATE

AVERAGE DIRECT FINANCIAL LOSS During the last 10 years: **\$165 BILLION**
Losses exceeding \$100 billion in 6 of these years

OFFICIAL DEVELOPMENT ASSISTANCE in 2013: **\$135 BILLION**



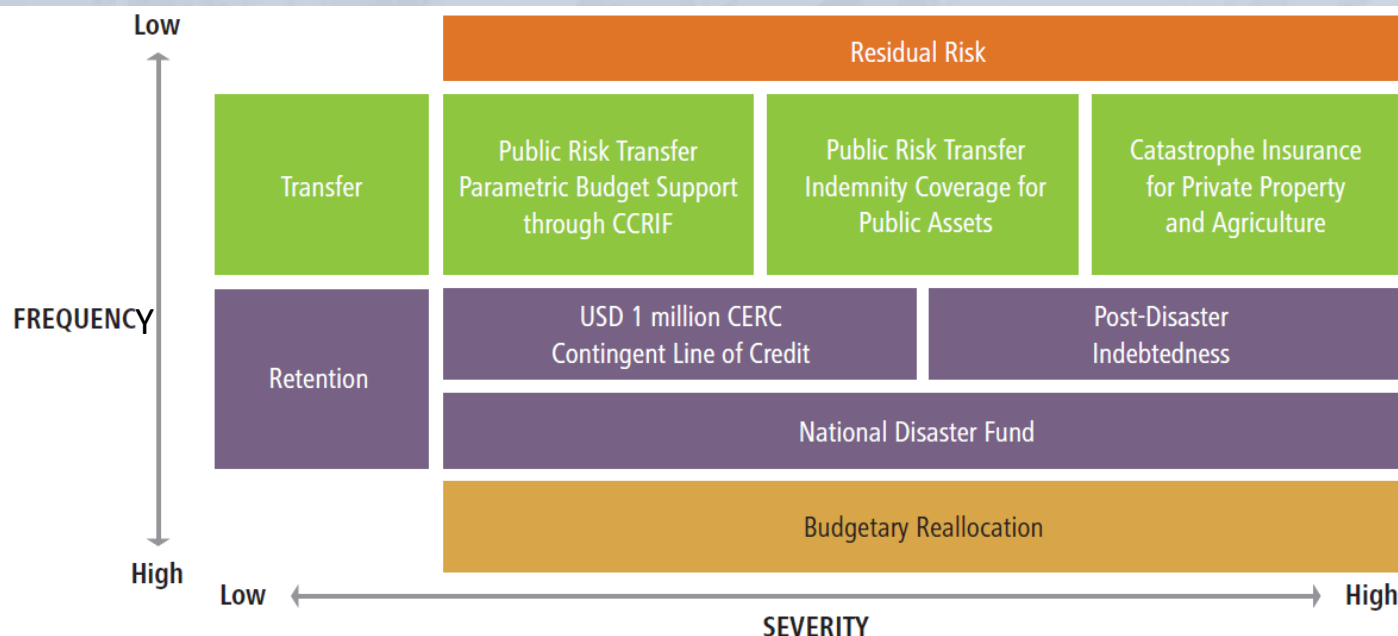
Disaster Risk Financing Strategy – National and local

DISASTER RISK FINANCING STRATEGY

Resources available for relief, recovery, reconstruction

Legal and Institutional support framework

Tailored, cost-efficiently combined, risk-informed instruments



Source: Authors' analysis.



Disaster Risk Financing and Social Protection

is not just about instruments

-Stakeholder engagement: Community, Academic, Public and Private sectors

Quantify Risk &
- risk financing instruments



Developing Policies and Regulations

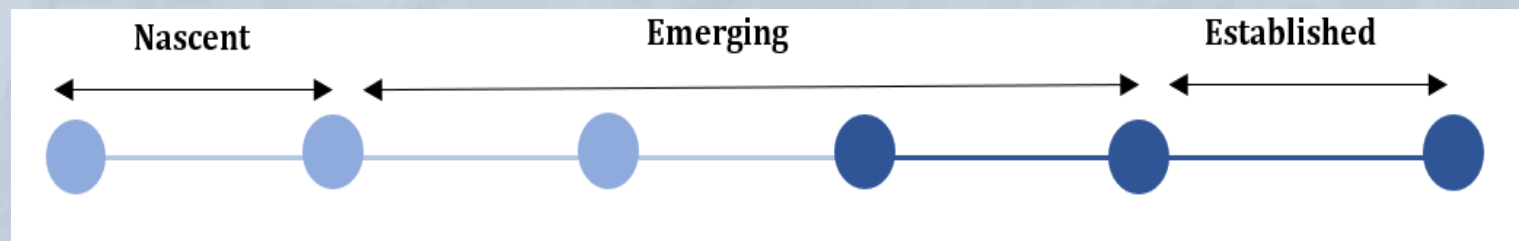


to reduce physical and fiscal vulnerability

Community Preparedness and Education



DRF and SP Progression



Government have no context on its contingent liability

SP response depends solely on ad-hoc post-disaster relief schemes

Individual/household insurance mechanisms are limited or have very low coverage

Government takes stock on how disaster response financed

Government gathers Risk information/carry out risk assessments

At the macro-level, parametric insurance or other contingency financing mechanisms are in place, but there are no protocols guaranteeing their use for SP response.

Micro insurance products developed, and pilot programs are in place (e.g. COAST, LPP)

Government estimates costs and allocate resources

Annual budget allocation anchors DRF strategy

Individual/household insurance mechanisms are available and have high coverage.

contingency financing mechanisms are in place, with clear protocols guaranteeing their use for SP response

Combination of Disaster Risk Financing instruments in place.



DRF and SP instruments – National and local

Linking National and community level approaches: Issues of Scale

- Innovative Solutions for Livelihood Protection (at the Individual/Community level)
- Disaster risk financing strategy and adaptive social protection (at National level)



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THANK YOU!

