

Sovereign Disaster Risk Financing: Linking to Social Protection

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World Food
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The case for linking DRF to social protection



Rapid, targeted, scalable assistance to the most vulnerable requires predictable financing



Governments face competing priorities—how do we elevate social protection as a response and preparedness tool?

Exploring Key Issues

1 Why finance cash transfers through DRF

2 Why use social protection as the delivery channel

3 Why pre-arranged financing matters

4 What is needed to advance and put people at the heart of this

1. Why Cash Transfers as a form of support

Cash transfers are effective, flexible and dignified

Enable people to prioritize their own needs

Can support local markets that are recovering

Not standalone - can be sequenced after in-kind and alongside other measures

2. Why Through Social Protection

Social protection ministries already play a key role in disaster response structures and implementation

Existing systems can be leveraged for scale-up, e.g. data collection/systems and payment/delivery mechanisms (cards, banks, credit unions)

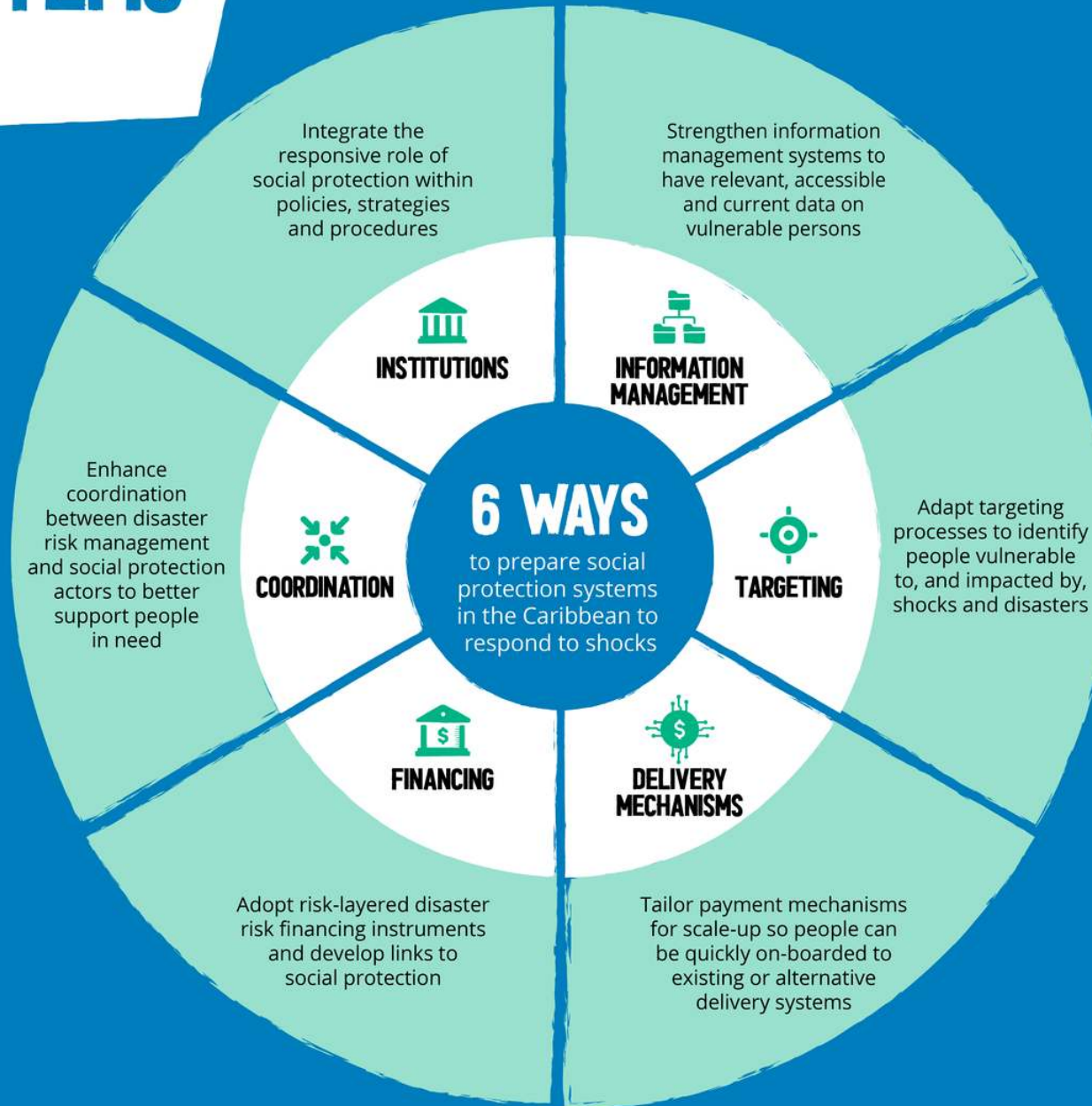
Cash transfers can be sequenced or complemented with parallel measures by partners

Systems can be better prepared through dedicated measures and procedures to scale up

PREPARING SYSTEMS FOR RESPONSE



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3. Why Pre-Arranged Financing for Cash Transfers through Social Protection Matters

1

Income support to vulnerable persons is one of many priorities



Dedicated products can provide additional funding

2

Budget reallocations can undermine other areas and external aid is unpredictable



Predictable funds that should be quickly available

3

An overall climate of high debt and financing challenges for SIDS



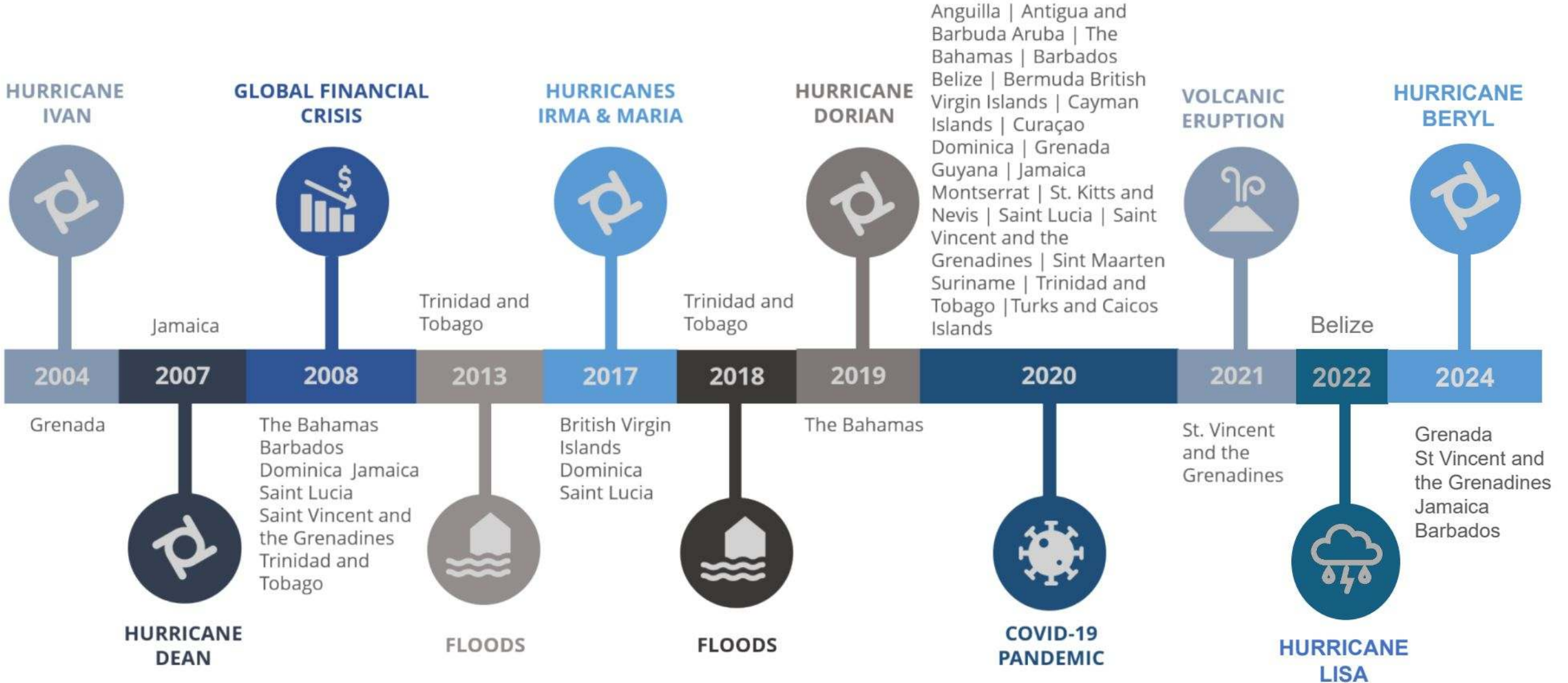
Mitigates reliance on external sources or borrowing

What is the Current State of Affairs?

Innovative DRF instruments exist in the Caribbean (e.g. CCRIF) and new financing models linked to social protection are building evidence

Investments are on going to make social protection systems more shock-responsive

Important to consider different phases of responses and a full range of financing instruments



DISASTER RISK FINANCING

World Food Programme Caribbean's
Risk Financing Strategy



Promoting a risk-layered approach to national climate-risk financing portfolios through:

-  Analysing and mapping
-  Facilitating trainings
-  Conducting comparative analyses

ADVOCACY



ACTION

Supporting governments to link social protection systems with climate-risk financing systems through:

-  Identifying risk financing options
-  Design and develop innovative models
-  Implementing country-specific solutions

What do we need to put vulnerable people at the heart of risk financing?

- 1** We have emerging models—how do we scale and improve them and are more needed?
- 2** Do we still need stronger advocacy, evidence, and political prioritization to make the case?
- 3** If it's a mix, where should we focus our efforts to ensure social protection is more fully integrated into disaster risk financing?