Fundamentals of Disaster Risk Financing for Advancing Sustainable Development of Small Island Developing States (SIDS)
Course Aims/Goals

This course aims to:

• Expose learners to the range of policy instruments used in both ex-ante and ex-post disaster risk financing;
• Provide insight into parametric insurance and modelling and CCRIF parametric insurance policies
• Explain the underpinning and construct of CCRIF’s parametric policies, models and country risk profiles.
• Expose learners to all hazards risk management frameworks and how at the national level to take into account all risk types to inform decision making at the national level
• Demonstrate the linkages between comprehensive disaster risk management and shock responsive social protection
Learning Outcomes

On successful completion of the course, learners will be able to:

• Understand the region’s risk profile with respect to natural hazards
• Understand the importance of disaster risk financing to debt and fiscal sustainability and a country’s overall development prospects
• Know how to develop a disaster risk financing policy and strategy and which instruments to use and when to apply each of the tools
• Understand the importance of insurance such as parametric insurance in closing the financial protection gap
• Explain parametric modelling and how parametric insurance policies work
• Integrate different types of risk into an integrated risk management framework at the sovereign level
• Determine the main elements of a shock responsive social protection policy and how microinsurance can work in areas of a financial inclusion and poverty reduction plans and regional hurricane plans
UNIT 1
Caribbean Natural Hazard Landscape and Profile

UNIT 2
Introduction to Disaster Risk Financing

UNIT 3
Introduction to Integrated Risk Management and All Hazards Risk Policy Frameworks

UNIT 4
Parametric Insurance and Modelling

UNIT 5
Shock Responsive Social Protection, DRM and Insurance
Topics Covered – Unit 1
Caribbean Natural Hazard Landscape and Profile

• Introduction to CCRIF SPC
• Key Terms and Definitions
• Natural Hazards in the Caribbean and their Impacts
• Natural Hazards Vs Natural Disasters
• Risk Assessments
• Climate Change Mitigation and Adaptation
• Climate Change Adaptation Strategies
• Climate Change and Development (linkages with the SDGs)
• Introduction to Economics
• Economics of Climate Adaptation
Topics Covered – Unit 2
Introduction to Disaster Risk Financing

• Understanding Comprehensive Disaster Risk Management
• Disaster Risk Financing and Financing DRR
• Sources of Financing for DRR
• Disaster Risk Financing Strategies
• Linking Fiscal Policies with Disaster Risk Management
• Reasons for Governments Employing DRF
• Disaster Risk Financing Instruments – Ex-Ante and Ex-Post
• Main Phases of Post Disaster Funding Needs
• Parametric Insurance
• Contingent Credit Facilities
• CAT Bonds
• Dedicated Reserve Funds
• Microinsurance
• DRF Policies and Strategies – Key Elements
Topics Covered – Unit 3
Introduction to Integrated Risk Management

• Risk Management and the Risk Landscape in the Caribbean
• Risk Management and Sovereign/Country Risk Management
• Risk Governance and Sovereign Risk Management
• Stages of Integrated Risk Management
• The Interconnectedness of Risk
• Risk Interconnection Maps
• All Hazards Risk Frameworks
• Global Best Practices
• Benefits to Governments of Adopting an Integrated Risk Management Approach
• Country Risk Officers
Topics Covered – Unit 4
Parametric Insurance and Modelling

• Introduction to Parametric Insurance and Modelling – Basic Concepts
• Parametric insurance products
• CCRIF’s models and products
• Construct of parametric insurance model
• CCRIF’s models for TC, EQ, XSR, COAST, Utilities
• Country Risk Profiles
• CCRIF parametric insurance policies
• Microinsurance – the LPP
• Introduction to WeMAp and Use
Topics Covered – Unit 5
Shock Responsive Social Protection, DRM and Insurance

• Impacts of Risks and Shocks on People
• The Dimensions of Social Protection
• Social Safety Nets and Disasters
• Shock Responsive Social Protection
• Understanding Microinsurance
• Microinsurance Schemes
• Closing the Protection Gap Closing the Protection Gap... The Role of Inclusive Insurance for Vulnerable Groups... Shock Responsive SP Strategy
• Introduction to Forecast Based Financing