



**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

# Structure of Course

## 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

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- 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

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- 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

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- 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

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- 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

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- 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