Thematic Working Group on
FINANCING FOR DEVELOPMENT

Session #6
August 30, 2017
Objectives of this Session

- share experience and approaches in ensuring coherence in financing through regular budgetary processes at the national and local levels;
- discuss the wide array of non-traditional and/or external sources (national/international) available for timely local actions
- talk about how the private sector apply financial sustainability and contribute to the strategic directions of the country, through their business models
- explore how disaster risk financing and insurance and social protection mechanisms can offer solutions to some of the challenges posed by climate shocks and disasters, especially, as the frequency and intensity of these hazards rise due to climate change
Guide Questions

▪ How can we maximize available budgets and financing mechanisms in a coherent way (across various agenda) for local level actions toward resilience?
▪ What are the modalities for decision-making and prioritization of actions and in the flow of finance (climate, resilience, development) and how can we ensure transparency and accountability?
▪ How will we make best use of disaster risk financing and insurance (DRFI) mechanisms?
▪ How can private sector contribute to financial sustainability?
▪ How can we ensure that our ideas to support development planning and financing will benefit people at risk/affected over time?
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<td>10.30 -- 11.00</td>
<td>Setting the Scene and Forecast-based Financing</td>
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<td>11.00 – 12.00</td>
<td>World Café Rounds 1 &amp; 2</td>
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<td>12.00 – 1.00</td>
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<td>Paying for Predictions</td>
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<td>Reflection and Synthesis</td>
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WORLD CAFÉ

- Private Sector (CHEERS)
- Disaster Risk Financing and Insurance (ASEAN)
- Climate Finance (UNDP)
- Mainstreaming Integrated Risk Management into Policies and Plans (Partners for Resilience Phils & Indo)
Report Back to Plenary...

- Background / Problems and Challenges
- Objectives and Flow
- Key Discussion Points
- Key Recommendations / Take-away
We cannot achieve our global development ambitions unless we tackle both humanitarian issues and climate risks (nexus SDGs-Paris-Sendai-WHS).
A finite pool of international concessional finance is supporting an increasingly ambitious global development agenda.

Delivering the Paris Agreement in the context of the Sustainable Development Goals and wider humanitarian needs will require more creative, equitable and efficient use of available international finance. Continued efforts to mobilise new sources of finance are needed. Simultaneously, strengthening domestic financial management and fiscal policy to encourage low-carbon and climate-resilient investment will be essential.

Source: ODI
Speed matters, but not all resources are needed at once.

Can we reduce total resources needed, while accelerating availability of funds?
In Asia Pacific

- **38 Red Cross Red Crescent** Societies with a network of **9,85 million** volunteers operating **125,000 local** RCRC branches in Asia.

- **79%** of RCRC have a **recognised role in domestic laws** to support authorities in disaster risk management.

- **100%** have an ‘auxiliary role status** recognized by States.

- RCRC working through their extensive volunteer base, act as an important **bridge between communities and decision makers.**
What is Localization?

- Localization is about **locally led response**.
- Our **overall objective** is improved **humanitarian response** – more effective, principled and efficient humanitarian action.

- **Local actors** are key for this - they have a **distinct comparative advantage**, as they can ensure: early response and access, acceptance, cost effectiveness, and link with development (i.e. reducing the impact of future crises).
Localization of Aid through Forecast-based Financing Mechanism
On-going RCRC FbF Initiatives in A P

- 9 Red Cross FbF projects in Bangladesh and in the Philippines
- 5 Projects in the pipeline in AP: Pakistan, Mongolia, Vietnam, Solomon Islands
- PfR, using Integrated Risk Management; Indonesia, India, Philippines
- Scoping study in Pacific 2016. FbF now on the radar of Pacific governments, regional organisations and donors.

Partnership/collaboration formed with the FAO to combine EWEA and FbF approaches