Breakout group 4: Contingency finance

How can contingency finance contribute to address the risks of loss and damage?

MAIN ISSUES DISCUSSED

- Lessons learned from case studies from, ARC in Senegal, JICA in Philippines, Nicaragua and the use of fiscal/budget instruments.

KEY TAKEAWAY MESSAGE

- Moving from crisis management to risk management
- Importance of dialogue with key stakeholders when designing such instruments
- Contingency might be viable in some cases but has to be looked in the context of a variety of tools
- Layered approach in line with scales of magnitude
- There is always a cost which affects accessibility and how sustainable are these mechanisms
- Defining objective criteria based on reliable scientific data and information to define triggers.
- Ordering: where and a what stage to use contingency finance or other instruments would have to do with transaction costs and in light of the amount of damage to be addressed and varies from country to country.
- Issue of hazard intensity versus vulnerability
- Mechanism not to be considered as substitute for prevention or mitigation of risk.