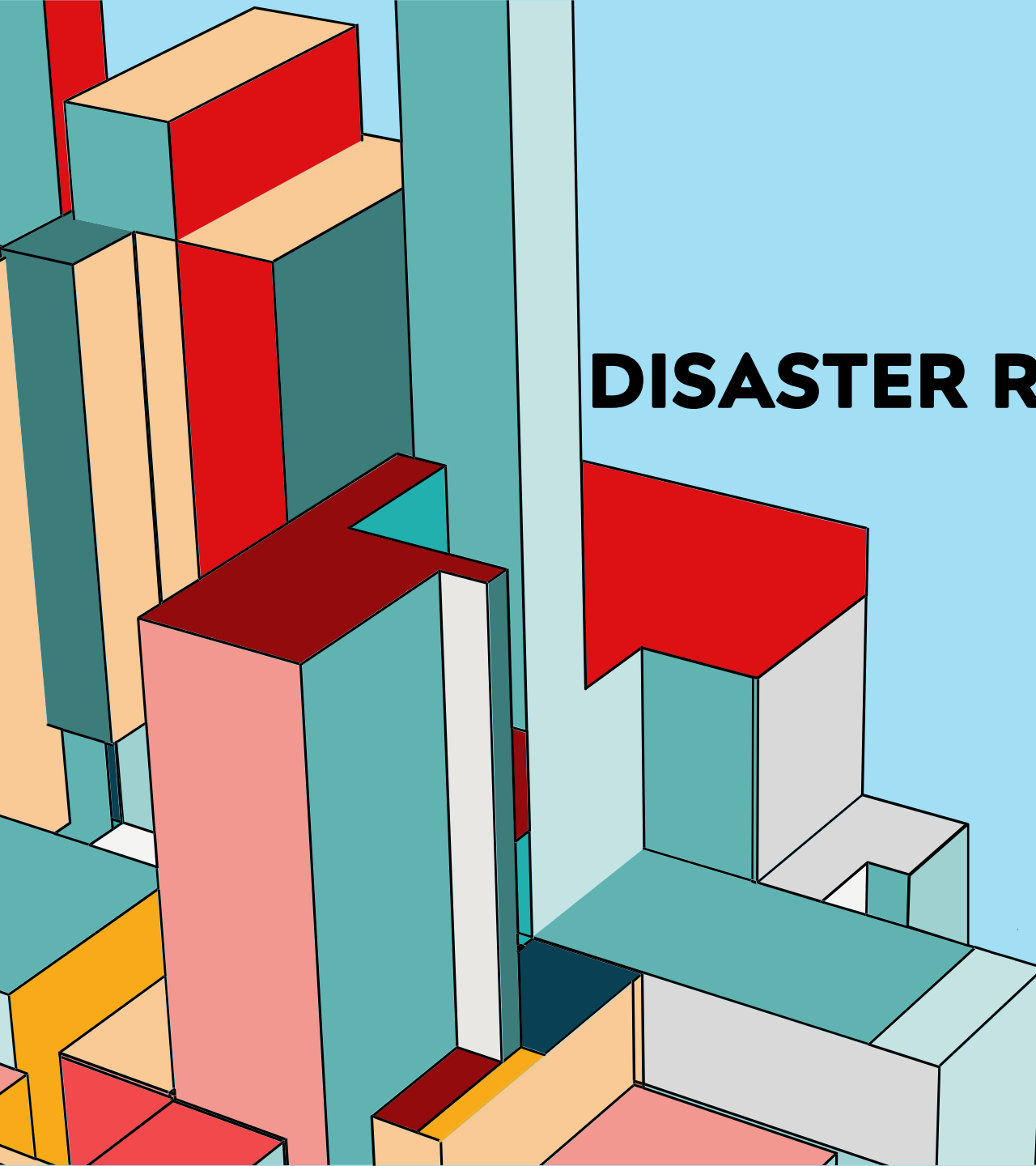




# **TONGA**

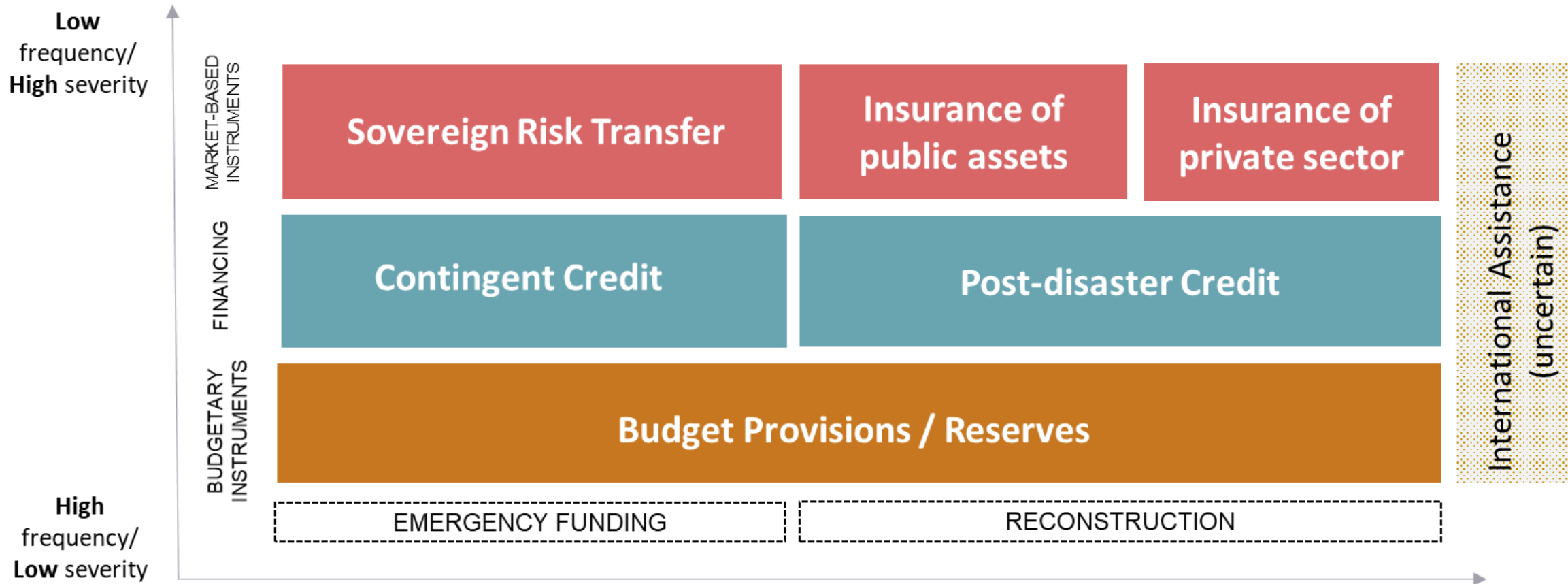
## **DISASTER RISK FINANCING STRATEGY**

### **2021-2025**




# KEY ASPECTS OF DRFS

- Timing of Needs
- Size of the needs
- Risk Layering
- Types of Instruments
- Cost-Effectiveness

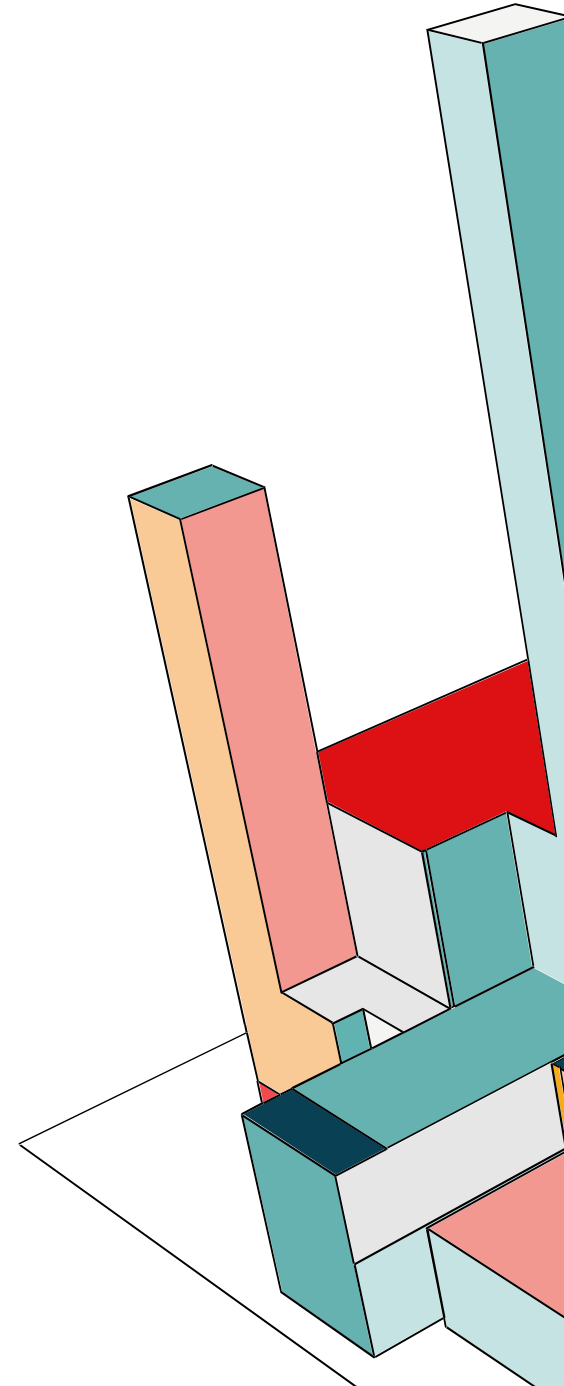


# DRFS PRIORITIES

1. Identify and quantify disaster-related economic and financial risks, including those exacerbated by climate change;
  2. Review the portfolio of risk financing instruments annually to ensure they meet Government objectives in a cost-effective manner;
  3. Assess options to increase risk transfer to the private sector and to strengthen domestic insurance markets;
  4. Strengthen disaster related public financial management;
  5. Develop adaptive social protection;
  6. Invest in national disaster risk reduction priorities to mitigate and minimize the impact of future disaster shocks, including those exacerbated by climate change.
- 

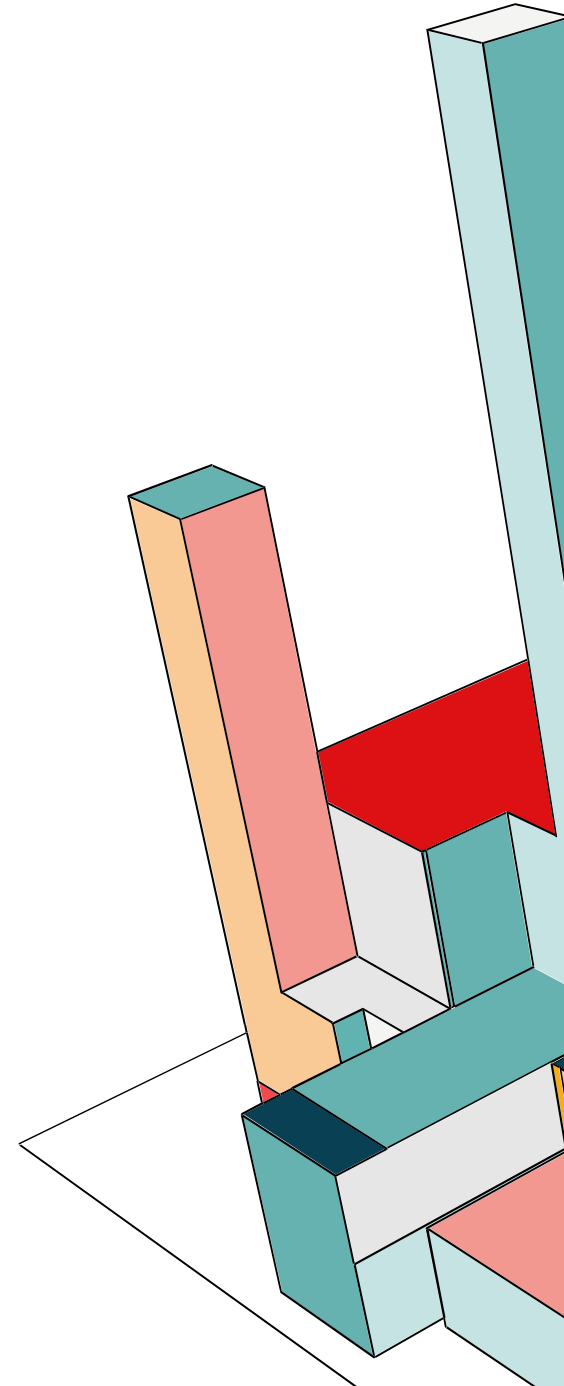
# CURRENT INSTRUMENTS

- National Emergency Funds
- Contingency Finances
  - World Bank CaTDDO
  - World Bank Climate Resilient Debt Clause (CRDC) and Rapid Response Option (RRO)
  - ADB CDF
  - ADB APDRF
  - <sup>5</sup> ➤ Parametric Insurance (PCRIC)



# WHERE CAN WE PROGRESS WITH DRFS

- Determine the right Instruments
- Support Recurrent Budget
- Explore other instruments



**MALO 'AUPITO**

