



## Why Risk Insurance Facility



Recurring disasters. Massive economic losses



Less than 0.02% of GDP allocated to proactive disaster financing



Dependence on delayed and unpredictable post-disaster aid



Protection gap widens; social sector & DRR funds diverted



Develop insurance instruments securing pre arranged reliable financing

## Introducing DRIF (Solidarity Fund)

- Shift from reactive proactive disaster risk management
- DSF initiated by Govt. of Pakistan & ADB under CDREP
- Hosted at NDRMF as Pakistan's dedicated risk transfer & insurance facility



## How it Works



Pre-arranged (ex-ante) financial protection



Utilizing insurance, reinsurance & other market based solutions



Rapid, transparent, rules based funding to affected communities



Reduces reliance on emergency budget reallocations



## Kick-Start Support - Specialized Expertise



International DRF consultancy firm hired



Designing & implementing risk transfer mechanisms



Developing business & operational models, investment strategy



Preparing diagnostic study for DSF operationalization



Develop capacity building plan for the selected agency and other stakeholders



## Impact - Why It Matters



Dedicated Solidarity Fund acts as countercyclical reserve.



Secures ex-ante financing via risk transfer & CAT bonds.



Reduces dependence on unpredictable post-disaster support



Strengthens national resilience