

## Creating Fiscal Resilience in the Face of Climate Disasters: The West African Approach

**Kfw Development Bank, co-organized by BOAD- the Western African Development Bank and ARC – African Risk Capacity**

**3 November, 14:00 – 15:30**

West African countries are particularly affected by extreme weather events but have so far struggled to adequately implement climate adaptation measures or build up preparedness and coping capacities for climate disasters. Governments and other actors need financing to help reduce the risks of crises and improve their citizen's resilience to shocks. Emergency loans may appear to help by providing needy countries with immediate liquidity, but also increase the overall debt burden. In contrast, innovative pre-arranged financing instruments using insurance have the potential to avoid over-indebtedness, prevent hasty budget reallocations and allow governments to maintain services.

The following session will discuss innovative financing and insurance instruments, namely shock-resilient loans and macro insurance, provided by the African Risk Capacity that contribute to strengthening the societal and economic resilience of affected countries without creating unsustainable debt.

