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# Workshop Session 1: On Climate and Disaster Resilience

## *Integrating Climate and Disaster Risk Management into PFM Systems*



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**ADB**

**Emerging Macroeconomic and Governance Challenges and Opportunities**

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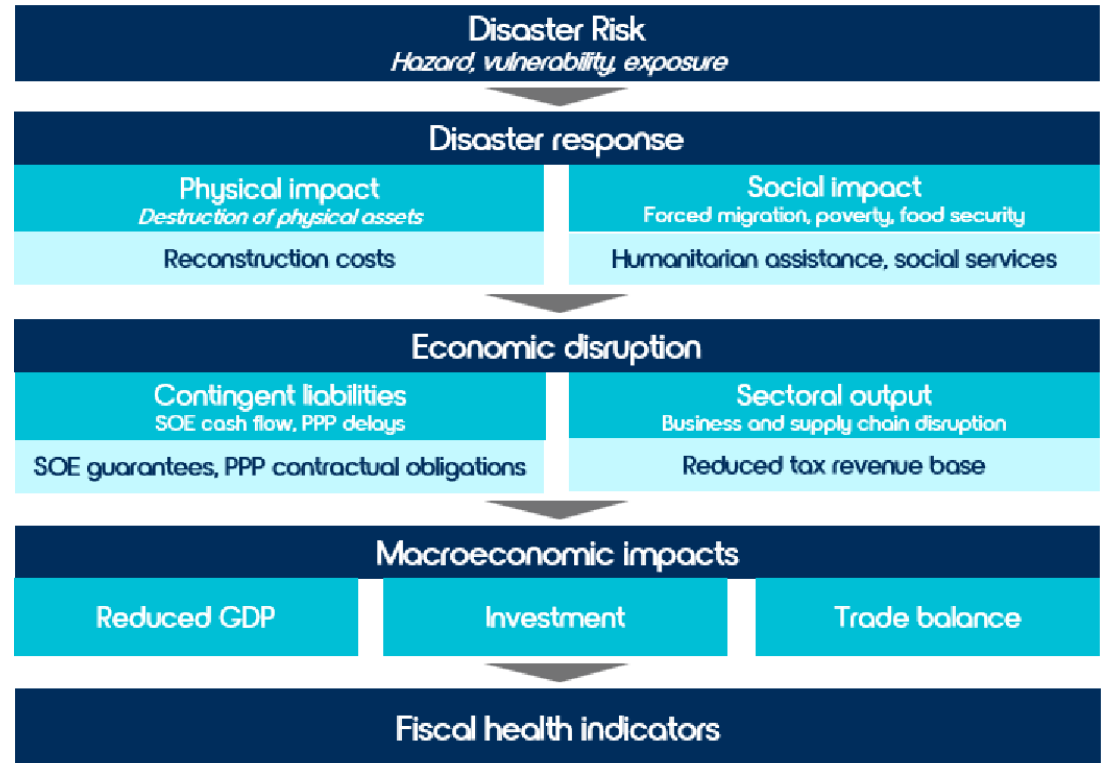
# Think of the last major disaster in your country

Did it touch your day-to-day work? How?

# Why care about climate and disaster risk?

## REGIONAL AVERAGE ANNUALIZED LOSSES (AAL) BY HAZARD CDRI (ALL 11 MEMBERS)

Flood	\$32.4B	75%
Earthquake	\$6.1B	14%
Cyclone	\$2.9B	7%
Tsunami	\$1.2B	3%
Landslide	\$0.6B	1%
<b>Total AAL</b>	<b>\$43.1B / year</b>	



# Dual challenge: How to get PFM systems to be responsive and build resilience?

## Responsiveness

When a disaster hits, do you have accessible funds that your PFM system can push out of the door, to the right people or groups — whether households, firms, or local governments — quickly and with accountability intact?

### COMMON FAILURES

- Lack of disaster risk financing strategies
- Depleted reserve/contingency funds
- Slow fund release
- Rigid procurement rules
- Cash shortages
- Weak accountability

## Resilience Investments

Between disasters, is your PFM system actively supporting the long-term investments that reduce future climate and disaster exposure — and building the evidence base to justify them?

### COMMON FAILURES

- Short-term budget focus
- Disconnect between planning and budgeting
- Lack of robust climate and disaster risk appraisals
- Unquantified contingent liabilities
- No spending visibility
- Fragmented funding



# Activity

1

## Individual

Review and complete the checklist for your own country

3 MINUTES

2

## Small Group

Compare with colleagues from other countries — where are the common gaps?

7 MINUTES

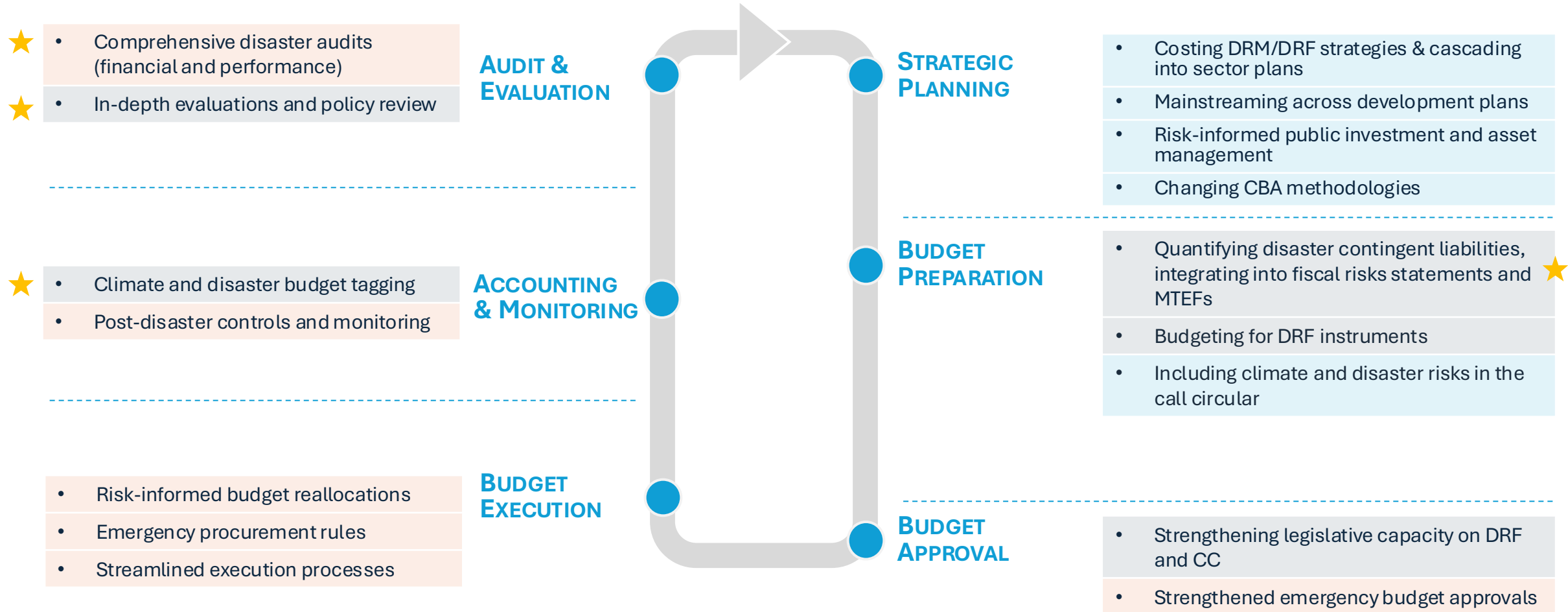
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## Plenary

Share key findings: what are the common gaps?

10 MINUTES

# Entry points in the budget cycle



# Group discussion: Priority actions

**Activity:** Based on the budget cycle entry points - pick one action on the responsiveness side and one on the resilience investment side that would be most achievable in your country context in the next 12–18 months.

**Question:** what would be the barriers to achieving these?

1

Group discussion

10 MINUTES

2

Brief reports back  
to plenary

10 MINUTES

# Key takeaways



Climate and disaster risks are **significant fiscal risks** in many countries, and one that is getting worse.

Finance ministries cannot afford to ignore it.



The challenge is dual: PFM systems need to support both rapid response and long-term resilience investment.

One without the other is not enough.



There are entry points across the **entire budget cycle** - from strategic planning through to audit.

No country needs to do everything all at once; what is pursued needs to be based on capacity, priorities and in line with other key reform areas.



## Next up:

From theory to practice - examining the objective, implementation and challenges on **climate and disaster budget tagging**.

Thank you.