The United Republic of Tanzania

Prime Minister's Office
Policy, Parliament and Coordination.

# NATIONAL DISASTER RISK FINANCING FRAMEWORK AND IMPLEMENTATION PLAN

2025/26
2030/31

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# PREFACE

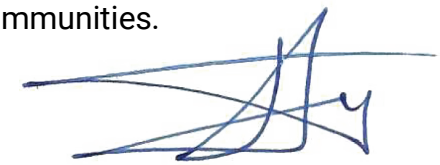
The National Disaster Risk Financing Framework 2025/26 – 2030/31 is an outcome of the Government commitments to sustainably reduce the impacts of disasters on people, livelihoods and public finances. This will go concurrently with reduction of loss of life, prevention of properties damages and preservation of environment. The Framework aims for an effective and efficient disaster risk financing in public and private investment for sustainable development. This calls for high level of commitment from all disaster management stakeholders.

This framework has been developed with the understanding that all development achievements and initiatives need protection from impacts of disaster events. The government will ensure that disaster risk financing initiatives is the focus and an integral part of national policies and programs. It will continue to consider a holistic approach towards disaster risk financing and humanitarian services, where emphasis has been given to working together with all stakeholders to develop and implement a Disaster Risk Financing Framework and Implementation Plan. The framework draws on the foundational objectives of the Tanzania Development Vision, the Long-Term Perspective Plan, and the National Five-Year Development Plan, while aligning with relevant sectoral policies, strategies, and plans.

Moreover, the framework reflects Tanzania's strong commitment to regional and international agreements on disaster risk reduction (DRR) and sustainable development. It contributes to the implementation of global and continental frameworks, including the Sustainable Development Goals (SDGs) 2030, the Sendai Framework for Disaster Risk Reduction 2015-2030, the Paris Agreement on Climate Change, and the Africa Regional Strategy for Disaster Risk Reduction and its Program of Action.

The government recognises that disaster risks are diverse and complex, requiring multiple financial instruments and policies to achieve DRR goals. Therefore, with DRR financing framework in place, public and private financial flows will go into proper investments to align finance with resilience goals. The framework will support financial policies and instruments to increase contribution in reducing disaster risks.

I urge all stakeholders involved in disaster risk management to actively support and participate in the implementation of this framework. Collective action is essential for ensuring an adequate, timely, and sustainable financing for disaster prevention and mitigation and preparedness for response, and recovery, thereby protecting lives and livelihoods for resilience communities.



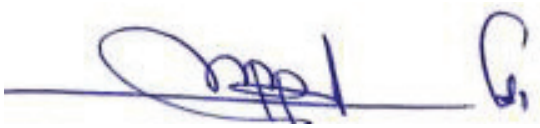
**Dr. Jim James Yonazi**
**Permanent Secretary**

# ACKNOWLEDGEMENT

The National Disaster Risk Financing (DRF) Framework is the output of collaborative efforts from various stakeholders within the country, regionally and global communities. The engagement of stakeholders from different levels has been motivated by the fact that Tanzania and the world at large have been witnessing an increase in diverse and systemic disaster risks which require comprehensive, integrated and inclusive disaster risk financing efforts. Therefore, we hope this framework will contribute towards a cohesive and coordinated disaster risk financing mechanism, incorporating government and non-government actors' efforts.

I am grateful to the comments, contributions and recommendations from Ministries, Departments and Agencies, Regional Secretariats, Local Government Authorities, United Nations and International Organisations, Non-Governmental Organisations, Faith Based Organisations, Regional Economic Communities, Academic and Research Institutions, Media and other stakeholders in developing this framework. I wish to register my sincere appreciation to IMF experts for their guidance during the development process. Specifically, I extend my heartfelt thanks to the officials of the Disaster Management Department for their tireless efforts in coordinating and developing this document in consultation with disaster risk management stakeholders.

This framework has as much as possible taken on board wishes and motives of many disaster risk management stakeholders during its preparation process. I hope that stakeholders will find it useful in implementing disaster risk financing initiatives in their respective sectors for a sustainable and disaster resilient community.



**Brig. Gen. Hosea M. Ndagala**

**Director - Disaster Management Department**

# EXECUTIVE SUMMARY

Tanzania faces significant disaster risks due to its geographical diversity and socio-economic vulnerabilities. The trend of natural hazards particularly floods, droughts, and epidemics exacerbated by climate change has been increasing, with projections indicating temperature increases beyond 2°C by 2070 and sea level rise of 20–25 cm by 2050. Over the past 24 years, floods claimed over 1,000 lives, and droughts affected an average of 4.8 million people, causing annual agricultural losses of USD 140 million. Recent disasters, including the 2023–2024 El Niño floods, mudslides and Cyclone Hidaya, resulted in USD 553 million in damages, disrupting livelihoods and straining public finances.

Tanzania has employed a variety of ex-ante and ex-post mechanisms to mobilize financing for the disaster response and early recovery. Ex-ante financing instruments include risk retention instruments like the National Disaster Management Fund (NDMF), Contingency Fund, Road Fund, Railway Infrastructure Fund, and National Food Reserve under the National Food Reserve Agency (NFRA); while risk transfer instruments include catastrophic bonds, insurance and social protections schemes like PSSN. Ex-post financing instruments include budget reallocations, external assistance, and post-disaster support programs. The combined use of these financing instruments (estimated to be USD 14 million[1]) is assessed to be sufficient to handle the emergency response and early recovery cost of a 5-year disaster event. The baseline analysis shows, a gap of approximately USD 5.5 million will appear at 10-year response needs of approximately USD 19 million. The combined use of these financing instruments shows financing needs ranging from USD 14 million (0.02% of GDP) for a 2-year event to USD 441 million (0.56% of GDP) for a 50-year event, with rehabilitation financing gaps reaching USD 230 million.

Recognizing the need for financial protection, the National Disaster Risk Financing Framework (DRFF) 2025/26–2030/31 aims to enhance response capacity, ensure fiscal stability, and protect citizens. The DRFF follows its core principles such as timely funding, risk layering, efficient disbursement, adaptive capacity building, and multi-stakeholder engagement. It aligns with national priorities like Tanzania Development Vision and international commitments, including the SDGs, Sendai Framework and the Paris Agreement.

The framework signals a paradigm shift from reactive disaster management to proactive financial preparedness, integrating disaster risk financing into national and sector development planning and budgeting. It calls for collaborative efforts across government, private sector, development partners, and communities to ensure adequate, timely, and sustainable financing for disaster preparedness, response, and recovery, thereby safeguarding lives and livelihoods to achieve Tanzania's development goals.

[1] Given the likely competing needs for the contingency reserve and the emergency fund under the road fund, baseline assumes 15 percent of the contingency reserve and road fund emergency allocation can be used for disaster response purposes.

The goal of this Framework is to strengthen the ability of the country to prevent, and mitigate impact of hazards, prepare for effective response and recovery to disasters, thereby protecting development goals, fiscal and economic stability and wellbeing of the people. In achieving this goal, the focus will be on the following strategic objectives/priorities;

(i) Improving quantitative disaster risk information related to economic loss and damages including financing needs modelling.

(ii) Strengthening and improving sovereign disaster risk financing capacity.

(iii) Evaluating options for improving the transfer of disaster risks outside the government budget to the private sector and strengthening the domestic insurance market.

(iv) Strengthening public finance management for disaster risk.

(v) Strengthening shock-responsive social protection.

(vi) Strengthening financial sector instruments for disaster risk management.

(vii) Strengthening the institutional framework and coordination mechanism for disaster risk financing.

Implementation of the DRFF is anchored in existing structures under the Disaster Management Act No. 6 of 2022, led by the Disaster Management Department (DMD) under the Prime Minister's Office (Policy, Parliament and Coordination), in collaboration with the Ministry of Finance and other stakeholders within and outside the government. A monitoring and evaluation framework ensures progress tracking and accountability, supported by political commitment, strategic leadership, stakeholder engagement, and capacity building.

# GLOSSARY

| | |
|---|---|
| **Average Annual Loss (AAL)/ Annual Expected Loss (AEL)** | The average of expected (or potential) loss over a period of many years; calculated as the sum of all expected/simulated losses over a period of time, divided by the number of years. |
| **Budget Allocation** | An amount of funding set aside to cover specific planned expenditures. |
| **Budget Reallocation** | The process of moving appropriated funds from an existing budget category to another without increasing the total budget; it can be used as a budget mechanism to finance disaster-related costs. |
| **Catastrophe Bond (CAT Bond)** | A high-yielding, insurance-linked security providing for payment of interest and/ or principal to be suspended or cancelled in the event of a specified catastrophe such as an earthquake of a certain magnitude or above that occurs within a predefined geographical area. |
| **Contingent Credit** | A financial tool that provides governments with immediate access to funds following disaster events to enable a more rapid and efficient response. This type of funding is typically used to finance losses caused by recurrent natural disasters. A line of contingent credit is an ex-ante instrument that allows borrowers to prepare for a natural disaster by securing access to financing before a disaster occurs. |
| **Contingent Liability** | A potential payment obligation (or future expenditure) that may be incurred, depending on the outcome of a future event; in the case of disaster risk for governments, the expenditure may be to pay for emergency response or reconstruction in the event of a natural hazard impact |
| **Disaster Risk Finance (DRF)** | The field of practice that focuses on managing the financial shocks due to natural hazards with the aim of increasing the financial resilience of governments and protecting the livelihoods of the most vulnerable populations; |

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| **Disaster Risk Management (DRM)** | The systematic process of using administrative directives, organizations, and operational skills and capacities to implement strategies, policies, and improved coping capacities in order to lessen the adverse impacts of hazards and the possibility of disaster. |
| **Disaster Risk Reduction (DRR)** | The practice of reducing disaster risks through systematic efforts to analyze and manage the causal factors of disasters, including through reduced exposure to hazards, reduced vulnerability of people and property, wise management of land and the environment, and improved preparedness for adverse events. |
| **Exposure** | People, property, assets, systems, or other elements that are subject to potential losses. |
| **Fiscal Balance** | The difference between general government revenues and expenditures. When revenues exceed expenditure there is a fiscal surplus. When expenditure exceeds revenue there is a fiscal deficit. The ideal fiscal balance is zero - where revenue and expenditure are equal. |
| **Fiscal Funding Gap** | The difference between the total funds required and available funds that a government has or can access; in DRF terms, this could be used to describe the difference between disaster-related contingent liabilities and the financing available from disaster-related financial instruments. |
| **Hazard** | Natural process or phenomenon, or human activity that has the potential to cause property damage, loss of livelihoods and services, social and economic disruption, and/or environmental degradation. |
| **Parametric Insurance** | A type of insurance that is triggered by the occurrence of a specific measured hazard event, such as a certain magnitude of earthquake or category of cyclone. This parametric approach is common for catastrophe risk insurance to cover major hazard events. It is also an alternative to Indemnity Insurance. |
| **Probabilistic Modelling** | The process of fitting historical risk data into a probability model to predict future contingent liabilities. |

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| **Public Financial Management (PFM)** | Steps taken to ensure that public money is spent and accounted for in a clear and transparent fashion. A public financial management system comprises resource generation, resource allocation, and expenditure management (resource |
| **Reinsurance** | A practice in which insurers transfer portions of risk portfolios to other parties in order to reduce the likelihood of having to pay a large obligation resulting from an insurance claim; it is the insurance of insurance. Reinsurance helps to smooth extreme results such as those from catastrophe events thus reducing the volatility of an insurance portfolio. |
| **Resilience** | Resilience in the context of disasters is the ability of countries, communities and households to manage change, by maintaining or transforming living standards in the face of shocks or stresses - such as earthquakes, drought or violent conflict - without compromising their long-term prospects. |
| **Return Period** | An indication of the likelihood of an event to occur; a recurrence interval demonstrating how frequently an event is expected to occur; For example, an event or a loss with a return period of five years is statistically expected to recur every five years on average over an extended period of time (or has a 20 percent probability of occurrence). |
| **Risk Layering** | The process of separating risk into tiers to allow for more efficient financing and management of risks. |
| **Risk Pool** | The aggregation of individual risks to manage the consequences of independent risks. Risk pooling is based on the law of large numbers. |
| **Risk Retention** | The process whereby a party retains the financial responsibility for loss in the event of a shock |
| **Risk Transfer** | The process of shifting the burden of financial loss or responsibility for risk financing to another party, through insurance, reinsurance, legislation, or other means. |
| **Vulnerability** | Characteristics and circumstances of a community, system, or asset that make it susceptible to the damaging effects of a hazard. |

# ACRONYMS

| | |
|---|---|
| ADB | African Development Bank |
| AAL | Annual Average Loss |
| CAG | Controller and Auditor General |
| Cat DDO | Catastrophe Deferred Draw Down Option |
| CBOs | Community Based Organizations |
| CDRI | Coalition of Disaster Resilient Infrastructure |
| CIMA | Centro Internazionale in Monitoraggio Ambientale |
| CSF | Critical Success Factors |
| DMD | Disaster Management Department |
| DPs | Development Partners |
| DRF | Disaster Risk Financing |
| DRFF | Disaster Risk Financing Framework |
| DRM | Disaster Risk Management |
| DRR | Disaster Risk Reduction |
| EOCC | Emergency Operations and Communication Centre |
| FBOs | Faith Based Organizations |
| FSDMP | Financial Sector Development Master Plan |
| FYDP | Five-Year Development Plan |
| GDP | Gross Domestic Product |
| GFDRR | Global Facility for Disaster Reduction and Recovery |
| GFS | Government Financial Statistics |
| GIS | Geographic Information Systems |
| GoT | Government of Tanzania |
| GST | Geological Survey of Tanzania |
| IFIs | International Financial Institutions |
| IMF | International Monetary Fund |
| IPCC | Intergovernmental Panel on Climate Change |
| LGAs | Local Government Authorities |
| LTPP | Long Term Perspective Plan |
| MDAs | Ministries, Departments and Agencies |
| MLHHSD | Ministry of Lands, Housing, Human Settlements Development |

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| MoA | Ministry of Agriculture |
| MoE | Ministry of Education |
| MoF | Ministry of Finance |
| MoH | Ministry of Health |
| MLHHSD | Ministry of Lands, Housing and Human Settlements Development |
| MTEF | Medium Term Expenditure Framework |
| NBS | National Bureau of Statistics |
| NCCRS | National Climate Change Response Strategy |
| NDMF | National Disaster Management Fund |
| NFRA | National Food Reserve Agency |
| NGOs | Non-Governmental Organizations |
| NSGRP | National Strategy for Growth and Reduction of Poverty |
| OECD | Organisation for Economic Co-operation and Development |
| PAA | Project Area Authority |
| PDNAs | Post-Disaster Needs Assessments |
| PICAP | Pacific Insurance and Climate Adaptation Program |
| PICs | Pacific Island Countries |
| PMO | Prime Minister's Office |
| PMO | Prime Minister's Office |
| PMO-LYED | Prime Minister's Office – Labor, Youth, Employment and Persons with Disability |
| PO-PSMGG | President's Office - Public Service Management and Good Governance |
| PO-RALG | President's Office - Regional Administration and Local Government |
| PSSN | Productive Social Safety Net |
| RCP | Representative Concentration Pathways |
| RSs | Regional Secretariats |
| SDGs | Sustainable Development Goals |
| SADRI | Southern Africa Drought Resilience Initiative |
| SOP | Standard Operating Procedures |
| TAIS | Tanzania Agriculture Insurance Scheme |
| TASAF | Tanzania Social Action Fund |
| TIRA | Tanzania Insurance Regulatory Authority |
| TMA | Tanzania Meteorological Authority |

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|---|---|
| TWG | Technical Working Group |
| TZS | Tanzania Shilling |
| UHI | Universal Health Insurance |
| UNDP | United Nations Development Programme |
| IRFF | Insurance and Risk Finance Facility |
| UNDRR | United Nations Office for Disaster Risk Reduction |
| USD | United States Dollar |
| WB | World Bank |

# CHAPTER ONE: INTRODUCTION

## 1.1 Background

Disaster risk in Tanzania, as in many other nations, is the product of complex interactions between natural and human induced hazards and the vulnerabilities of affected communities. This intricate dynamic is further influenced by socio-economic, environmental, and institutional factors. Natural hazards such as floods, droughts, earthquakes, and epidemics pose significant threats. The geographical landscape, characterized by diverse ecosystems ranging from coastal areas to highland regions, contributes to the varied nature of these hazards. The coastal regions are susceptible to cyclones and rising sea levels, while inland areas face the challenges of drought, unpredictable rainfall patterns and landslides. Further, the risk of earthquakes, though less frequent, remains a concern due to the country's location near tectonic plate boundaries.

Historically, disastrous events have caused significant fiscal and economic impacts in the country including disruption of livelihoods, infrastructure, and service delivery, and straining public finances. Floods and droughts are the most frequent and damaging climate-related events affecting the country, with recent statistics indicating that approximately 5 million people are currently affected annually. The estimated damages from floods and droughts reach about USD 170 million per year. These events present direct fiscal risks by increasing unplanned government expenditures for emergency response and infrastructure recovery, as well as long-term risks by impacting economic productivity and revenue generation. They are also expected to increase in frequency and severity due to rapid urbanization, population growth, climate change, and environmental degradation.

Tanzania has made strides in developing national policies, frameworks, strategies, procedures, systems and programs for addressing disaster risks. However, challenges remain in their implementation due to, among others, limited financial resources, and insufficient data for risk assessment, hence hindering effective disaster risk management. With climate change amplifying the frequency and severity of disasters, a proactive disaster risk financing framework (DRFF) is essential for planning for ex-ante and ex-post disaster risk financing instruments to cover the costs of disaster response, recovery and reconstruction. Being an important public policy instrument designed to ensure the overarching goal of financial protection against disasters, the implementation of the DRFF will strengthen the adequacy and timeliness of funding, disbursement efficiency, and fiscal accountability. It will also help the government to integrate risk financing in development planning, climate change (including climate finance) agenda, improve the disaster risk management framework and coordination, support building overall resilience (fiscal, financial, and social), as well as project confidence to both domestic and international audiences that the government can—and will—respond promptly when disasters strike.

## 1.2 The Context and Vulnerability of Disaster Risks in Tanzania

The people of Tanzania face significant vulnerabilities as a result of climate-induced or man-made disasters. However, they are not well prepared to address their impacts in a comprehensive manner.[2] In the recent decades, the country has been experiencing recurrent floods, droughts and landslides, whose frequency and severity have risen largely as a result of climate change. This trend is in line with that of Sub-Saharan Africa (SSA) and the rest of the world as evidenced by the fact that the URT is among the top ten countries in SSA with the highest frequency of natural disasters, while also ranking 30th out of 193 countries according to the World Risk Index 2024.[3]
Over the past 24 years, Tanzania has been experiencing multiple floods and major droughts and outbreak of emerging and re-emerging disease in which over 1,000 people died in floods, and on average, droughts affect about 4.8 million people and have caused an estimated average annual economic loss in agriculture of about USD 140 million.[4] Also, COVID-19 affected 43,191 people and caused 846 deaths[5]. Tanzania is among the 25 countries globally with the highest population in low elevation costal zones and floodplains, thus increasing the risk of flooding and sea level rise (Table 1.1). Repeated floods and droughts have affected large parts of the country and caused significant loss of life and material damage (Table 1.2).

**Table 1.1: African Countries in the Global Top 25 with Highest Population within Low Elevation Coastal Zone (LECZ) (left) and in the 100-Year Floodplains (right), in Million**

| | Populations within LECZ | | | | Populations within 100-year floodplains | | | |
|---|---|---|---|---|---|---|---|---|
| | Baseline 2000 | Year 2030 | Year 2060 | Growth 2000–2060 | Baseline 2000 | Year 2030 | Year 2060 | Growth 2000–2060 |
| Egypt | 25.5 | 45.0 | 63.5 | 0.25 | 7.4 | 13.8 | 20.7 | 0.28 |
| Nigeria | 7.4 | 19.8 | 57.7 | 0.79 | 0.1 | 0.3 | 0.9 | 0.84 |
| Senegal | 2.9 | 8.5 | 19.2 | 0.66 | 0.4 | 1.1 | 2.7 | 0.76 |
| Benin | 1.4 | 5.4 | 15.0 | 1.06 | 0.1 | 0.6 | 1.6 | 1.12 |
| Tanzania | 0.6 | 2.8 | 14.0 | 2.2 | 0.2 | 0.9 | 4.3 | 2.3 |
| Somalia | 0.6 | 2.2 | 9.8 | 1.68 | 0.2 | 0.6 | 2.7 | 1.7 |
| Cote d'Ivoire | 1.2 | 3.0 | 7.6 | 0.64 | 0.1 | 0.3 | 0.7 | 0.65 |
| Mozambique | 2.3 | 4.4 | 7.5 | 0.33 | 0.7 | 1.4 | 2.5 | 0.36 |

Source: IPCC

[4] SADRI, 2020, Tanzania - Drought Resilience Profiles; and CIMA, UNDRR, 2019, Tanzania Disaster Risk Profile.

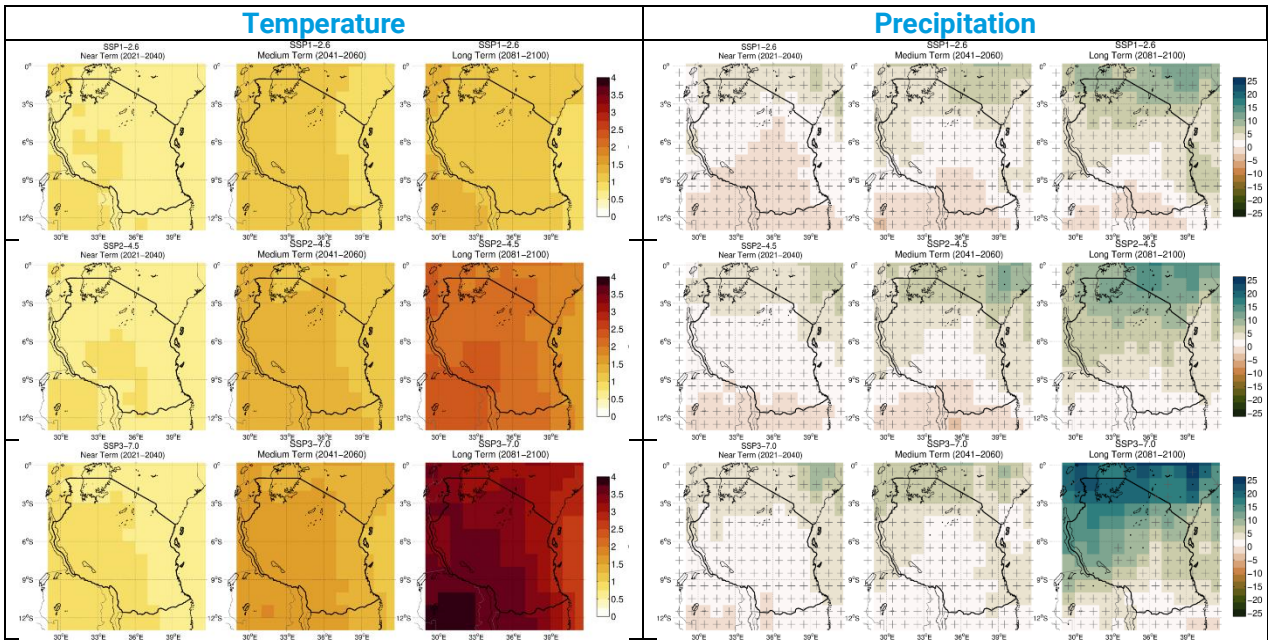
[5] WHO & MoH; COVID-19 situation 2020 – 2025.

**Table 1.2: Disasters in Tanzania, 2000–2024**

| Disaster | | Event count | Deaths | Total Affected |
|---|---|---|---|---|
| Climatological | Drought | 7 | - | 12,754,000 |
| Hydrological | Landslide | 3 | 124 | 6,491 |
| | Flash flood | 9 | 266 | 308,740 |
| | Flood | 19 | 330 | 3,269,417 |
| | Riverine flood | 21 | 431 | 368,447 |
| Meteorological | Hail | 1 | 47 | 5,112 |
| | Storm (General) | 4 | - | 31,283 |
| | Tropical cyclone | 2 | 4 | 2,002,500 |
| Biological | Epidemic | 28 | 8,718 | 224,981 |
| Geophysical | Earthquake | 6 | 32 | 148,092 |
| | **Total** | **100** | **1,234** | **19,119,063** |

Source: EM-DAT

Climate change is expected to continue exacerbating the frequency of climate related hazards (Figure 1.1). While projected changes in precipitation are uncertain, there is a high likelihood of temperature increases as well as sea level rise. Temperatures are expected to continue rising and average temperatures could increase by more than 2°C by 2070. Over the same period, precipitation patterns are expected to change, leading to higher rainfall in the north and potentially less rainfall in the south. Sea level is predicted to rise by between 20-25 cm by 2050.[6]




[6] UNEP and IPCC Sixth Assessment Report 2022

**Figure 1.1 Average Annual Temperature (°C) and Precipitation (percent) Change Relative to 1985-2014**

Notes: An average annual temperature anomaly in °C and average total annual precipitations anomaly in percentage between 20-year time periods centred around 2030, 2050, and 2070, relative to 1986-2014. Median anomaly across all models. SSP1-2.6 scenario is in line with the Paris goal to keep global mean temperature increase below 2ºC with respect to pre-industrial times. SSP2-4.5 represents continuation of present trends. SSP3-7.0 is a high emission scenario. An advanced method for representing ensemble robustness is based on the approach proposed in the IPCC AR6, categorized into three levels. Robust Signal: Indicates significant changes where at least 80% of the models agree on the sign of change. Conflicting Signals: Represented by crosses, indicating significant changes where less than 80% of the models agree on the sign of change. No Change or No Robust Signal: Represented by dots, representing areas of low change values and/or low significance, where less than 66% of the models exhibit emergent signals.

Source: FADCP Climate Dataset (Massetti and Tagklis, 2024), using CMIP6 data (Copernicus Climate Change Service, Climate Data Store, 2021: CMIP6 climate projections).

References: Copernicus Climate Change Service, Climate Data Store, (2021): CMIP6 climate projections. Copernicus Climate Change Service (C3S) Climate Data Store (CDS). DOI: 10.24381/cds.c866074c

Massetti, E. and F. Tagklis (2024). FADCP Climate Dataset: Temperature and Precipitation. Reference Guide, Fiscal Affairs Department, International Monetary Fund, Washington DC.

The changing patterns in natural disasters will impact the population and the country's development efforts. The number of people affected by floods and droughts is predicted to increase significantly in many regions over the coming decades (Figure 1.2), due to (i) shifting climate patterns causing an increase of the flood and drought hazard level (Figure 1.2b and 1.2f), and (ii) socio-economic development and related change in concentration and vulnerability (Figure 1.2c and 1.2g), respectively. Taking into account both climate projections and the population increase, the average number of affected people by floods and drought per year is estimated to increase more than four times (from 45 to above 200 thousand people annually) and more than double (from just below 5 to 12 million people annually), respectively.[7] Economic losses are also projected to increase with climate change, with Annual Average Loss (AALs) from floods and droughts increasing from USD 28 million per year to USD 41 million, and from USD 140 million per year to USD 350 million, respectively.[8] While losses caused by floods spread broadly across the economy (Figure 1.3a) including

[7] CIMA, UNDRR, 2019, Tanzania Disaster Risk Profile.

[8] CIMA, UNDRR, 2019, Tanzania Disaster Risk Profile.

transport and critical infrastructure, with important implications to public services, droughts affect mostly the agriculture sector (Figure 1.3b).

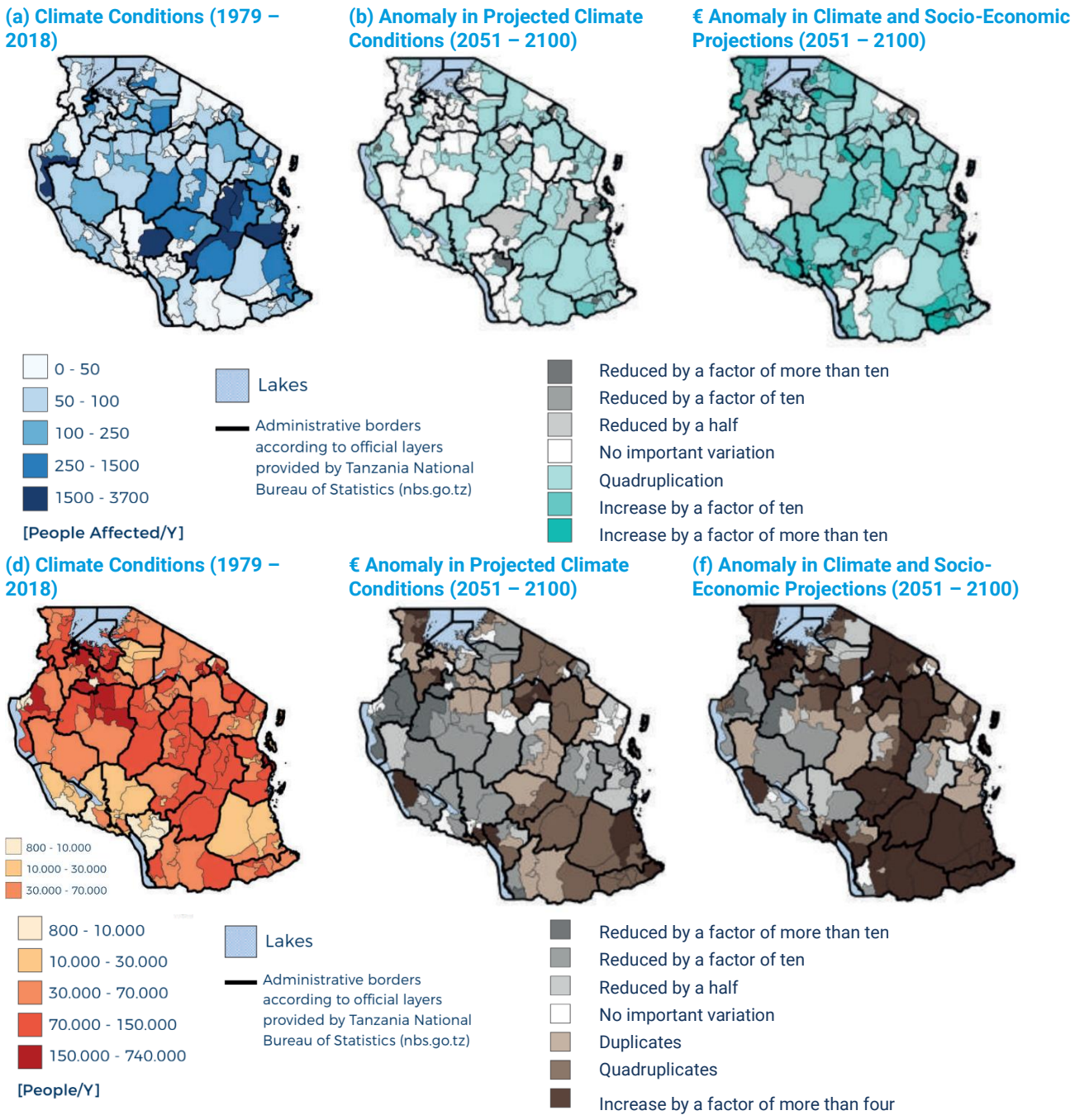



**Figure 1.2. Annual Average Number of Potentially Affected People by Floods (a-c) and Droughts (d-f)**
Source: CIMA, UNDRR, PMO, 2019, Tanzania Disaster Risk Profile

Note: Climate projections have been obtained using a climate projection model based on the RCP 8.5 – high emission scenario for the period 2006-2100.

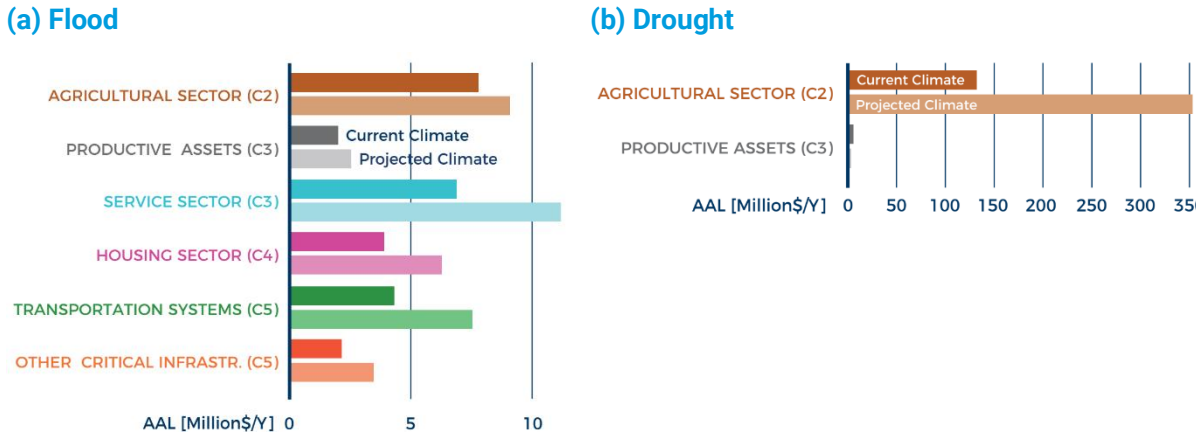



**Figure 1.3. Annual Average Loss (AAL) per Sector in Case of a Disaster**
Source: CIMA, UNDRR, 2019, Tanzania Disaster Risk Profile

Note: Climate projections have been obtained using a climate projection model based on the RCP 8.5 – high emission scenario for the period 2006-2100.

## 1.3 Economic Impacts of Disaster Events in Tanzania

Surveys of available estimates regarding the economic cost of disasters in Tanzania are shown in Table 1.3 in which the Desinventar dataset managed by the Prime Minister's Office (PMO), shows that floods and earthquakes caused cumulative total economic damage of approximately USD 300 million and USD 319 million respectively, between 1994 and 2021.[9] In addition, separate post-disaster assessments were conducted for recent events including the Tanga Flood of 2019 with total damage and losses of approximately USD 16 million. The 2023-2024 El-Niño related flood and Cyclone Hidaya caused approximately USD 553 million in damage and losses. The reported cumulative economic cost of drought is, however, smaller at USD 9 million. Based on the national-level catastrophe simulations study conducted by the UNDRR and CIMA Research Foundation in 2019, the Annual Average Loss (AAL) from riverine flooding is estimated at USD 28 million, which appears to underestimate empirical damages reported due to heavy rains. Modelled drought AAL, on the other hand, is considerably higher than those reported in the past records, with AAL estimated to be at USD 140 million.

[9] Converted to 2023 price.

**Table 1.3: Various Estimates of the Past and Projected Costs of Disasters in Tanzania**

| Year | Source | Findings |
|---|---|---|
| **2024** | Desinventar (PMO) and PDNAs | For the period 1994-2021, floods caused cumulative damages of USD 300 million, earthquakes USD 319 million and drought USD 9 million. |
| **2024** | Rapid-damage assessment of el-Niño related flood and Cyclone Hidaya | An estimated USD 553 million in damage and losses, of which USD 408 million is attributed to the transport sector, followed by USD 117 million in the housing sector. |
| **2023** | Global Infrastructure Risk Model and Resilience Index (CDRI) | The multi-hazard AAL is estimated at USD 332 million under the current climate, with 56.6 and 38.6 percent of impacts due to earthquake and flooding respectively. AAL is estimated to increase with the impact of climate change alone to USD 356 million toward the end of the century under the upper bound scenario (RCP8.5). |
| **2019** | PDNA Tanga Flood | An estimated USD 16 million in damage and losses, of which USD 9.3 million is attributed to the transport sector, followed by USD 2 million in the housing sector |
| **2019** | Disaster Risk Profile – Tanzania (UNDRR) | AAL for flooding is estimated to be USD 28 million, corresponding to 0.06 percent of total capital stock value under RCP8.5. Flood risk is projected to increase to USD 41 million toward the end of century with the impact of climate change alone. Drought AAL due to crop losses is estimated at USD 140 million. Under RCP8.5 drought risk is expected to rise to USD 350 million toward the end-Century. |

Source: IMF (2025)[10] compilation based on (DesInventar, Coalition of Disaster Resilient Infrastructure (CDRI), UNDRR)

[10] IMF (2025), Technical Assessment Report for Tanzania Disaster Risk Financing Framework, Prepared by Dora Benedek, Junko Mochizuki, Suphachol Suphachalasai, and Katja Funke

## 1.4 Disaster Risk Financing Needs for Tanzania

DRF financing needs are estimated based on the reported costs of disasters. Disaster financing needs may be distinguished across the phases of disaster management, namely (a) response and early recovery and (b) rehabilitation and reconstruction. The disaster response phase begins with immediate response assistance (within 48 hours) until recovery assistance period (6 months) which involves; immediate life-saving activities and early recovery efforts aiming to restore the basic functionality of infrastructure, economic, and social systems. Full recovery, rehabilitation, and reconstruction begin after the response phase and may take from a few years to over a decade, depending on the scale of the event and the reconstruction approaches used. Understanding disaster management phases and preparing for different resource needs is an important part of the disaster risk financing framework.

The large discrepancy between past disasters and modelled risk stems likely from both under-reporting and alternative scopes of hazard definitions used. A similar discrepancy between observed and modelled cost is evident for earthquakes, likely due to the limited use of locally calibrated data. The observed difference in alternative data sources attests to the need to develop a robust DRFF under which all relevant stakeholders will improve data collection and risk modelling.

The DRF financing needs[11] are estimated based on the reported costs of disasters (section 1.3 above). Tanzania's disaster risk financing needs for public and private entities combined are estimated to range between approximately USD 14 million or 0.02 percent of GDP for 2-year event to USD 441 million or 0.56 percent of GDP for 50-year event (Figure 1.4). Of these, disaster response/early recovery will require an amount ranging from USD 2.8 million for 2-year event to USD 88.2 million for 50-year event. It is assumed that 20 percent of total needs are used for emergency response/early recovery while the rest is used for reconstruction in line with the contingency plans.

[11] These needs may be distinguished across the phases of disaster management, namely (a) response and early recovery and (b) rehabilitation and reconstruction.

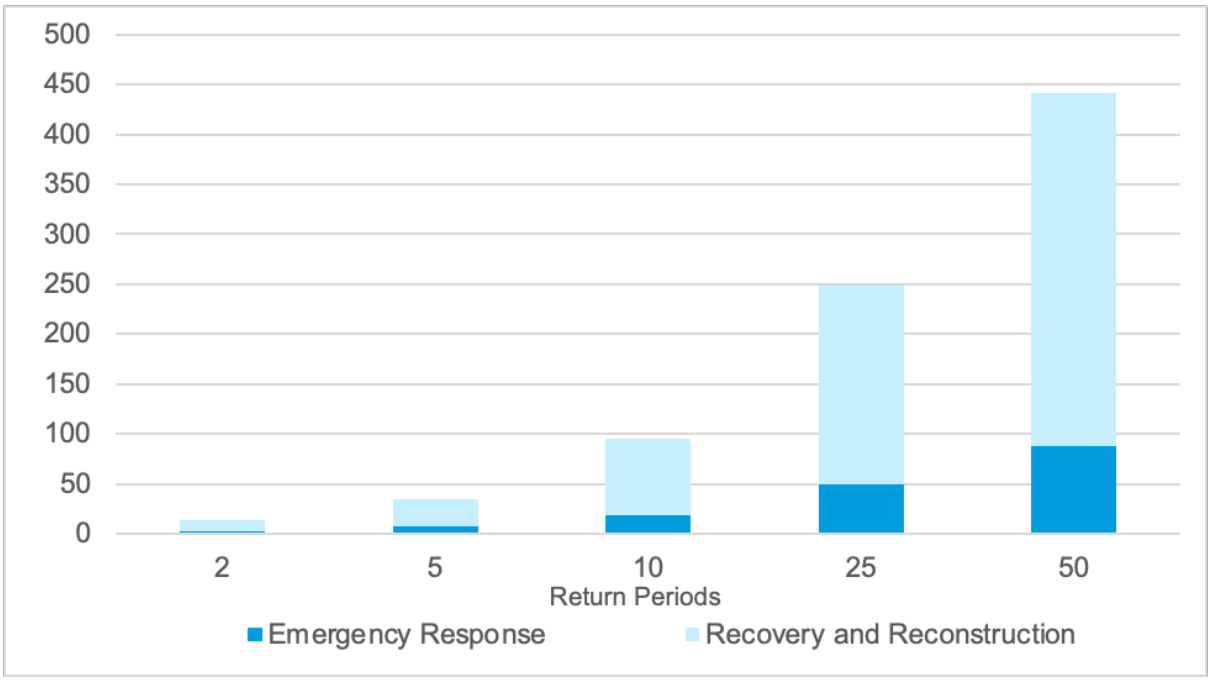



**Figure 1.4: Financing Needs for Combined Hazards in Tanzania (USD million)**
Source: IMF (2025)[12].

Note: return period refers to annual probability of occurrence. Hence the larger the return period, the rarer the occurrence of a disaster.

## 1.5 Tanzania Disaster Risk Financing and Financing Gap

### *1.5.1 Disaster Risk Financing in Tanzania*

Tanzania uses and can decide to use a variety of ex-ante and ex-post mechanisms to mobilize financing for the disaster response and early recovery phase. Examine Figure 1.5 is a graphical representation of the risk financing instruments available.

[12]IMF (2025), Technical Assessment Report for Tanzania Disaster Risk Financing Framework, Prepared by Dora Benedek, Junko Mochizuki, Suphachol Suphachalasai, and Katja Funke

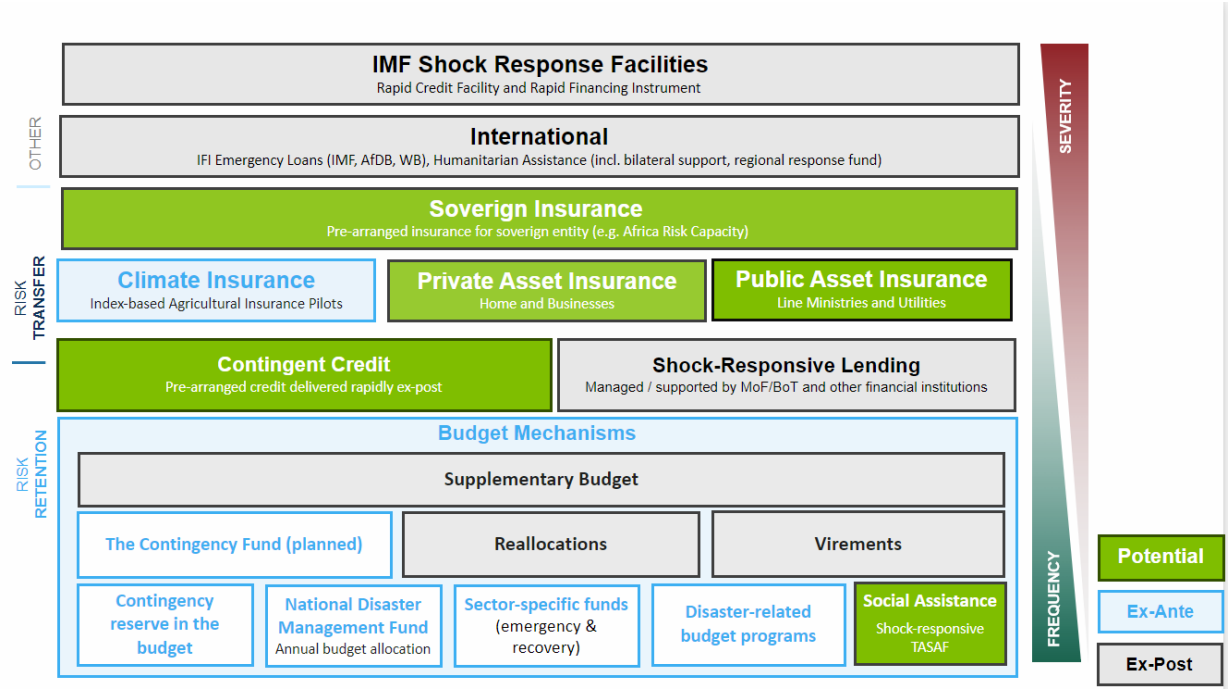



**Figure 1.5: Disaster Risk Layering in Tanzania: Representation of Risk Financing Available**
Source: IMF (2025)[13]

### *1.5.1.1 Ex-Ante Disaster Risk Financing Instruments (Pre-Disaster)*

Ex-ante disaster risk financing instruments are designed to respond and recover from disaster events before they occur. These instruments comprise risk retention and risk transfer instruments.

### *1.5.1.1 1 Risk retention instruments*

Risk retention instruments that have been designed and implemented by the Government of Tanzania include the National Disaster Management Fund (NDMF), Contingency Fund, Road Fund, Railway Infrastructure Fund, and National Food Reserve under the National Food Reserve Agency (NFRA).

(i) **National Disaster Management Fund:** This fund administered by the PMO was established by the Disaster Management Act of 2022 to fund preparedness, immediate response and relief from disaster event. The Act has financial provisions for the NDMF to raise funds from different sources, including the budget, public donations, and international financial institutions. Annually, the NDMF receives TZS 2 billion from the government budget allocation to finance disaster management including preparedness, response, and recovery from natural disasters. In addition, NDMF receives budget contingency to serve immediate needs after a severe disaster like floods and landslides. For example, in the financial year 2023-24, the NDMF received TZS 13.1 billion from the central government budget alongside other sources of about TZS 3.4 billion in response

[13] IMF (2025), Technical Assessment Report for Tanzania Disaster Risk Financing Framework, Prepared by Dora Benedek, Junko Mochizuki, Suphachol Suphachalasai, and Katja Funke

to severe flooding and landslide that struck Hanang District in December 2023. Similarly, in FY2024-25, the NDMF received TZS 10.7 billion for immediate response to floods and landslides as a result of El-Niño and Cyclone Hidaya. These two cases indicate that there is sufficient flexibility in the government's fiscal mechanism to reallocate its contingent resources within the budget to supplement the NDMF when immediate needs arise from moderate to large disaster. However, having recognized risks from natural disasters and climate change impacts, the government of Tanzania will continue to strengthen the NDMF to ensure it responds to disasters efficiently and effectively.

(ii) **Contingency Fund:** established under the Budget Act Cap 439 of 2015, contingency fund has not been fully operational. However, the government sets aside TZS 100 billion annually as the contingency reserve for unforeseen events including financing moderately severe natural disasters (e.g. 5 – year and 10 – year events). Since the fund is not set exclusively to finance disaster events, there may be competing priorities in utilizing, and thus it tends to be depleted and expire toward the end of a financial year. Consequently, this poses a risk of not having adequate buffer in the event of moderate to severe disasters. This leaves the country without a sustainable financial buffer for disasters that do not align with the fiscal calendar, thus causing significant gap in the country's disaster financing framework, and exposing the country to potential delays in accessing resources for emergency response.

(iii) **Road Fund:** The Road Fund, established by the Roads and Fuel Tolls Act of 2019, allocates 10% of its annual revenue for immediate response and early recovery of public roads including truck roads, regional roads, urban roads, and feeder roads post-disasters. Primarily, revenue of the fund relies on fuel levies imposed on diesel and petrol and tolls on vehicle registration. Given the increasing frequency and severity of projected impacts of climate change on road infrastructure, the government will maintain the revenue sources of the road fund to ensure rapid responses to maintenance and repair of road infrastructure post-disasters.

(iv) **Railway Infrastructure Fund:** Established under the Railways Act No. 10 of 2017, the Railway Infrastructure Fund receives approximately TZS 295 billion annually to support infrastructure development, rehabilitation, and reconstruction within the railway network. Its purpose is to enhance the resilience of railway systems against disaster-related disruptions. However, the fund's allocation predominantly focuses on routine maintenance and infrastructure expansion, with limited resources explicitly designated for disaster risk mitigation.

(v) **Strategic Grain Reserve (SGR):** The National Food Reserve Act No. 10 of 2005 mandates the National Food Reserve Agency (NFRA) to maintain a national food reserve which is used to provide relief to populations affected by disasters and increase food availability in the market during shortages and high prices. Currently, the reserve stands at 0.5 million tons, with a target to reach 3 million tons by 2030. To ensure food security in the country, the government has established a system for storing food in warehouses managed by the NFRA. The objectives of this food storage system are to address disasters, reduce food price inflation, and maintain sufficient food reserves to meet the country's needs. For instance, between 2006

and 2023, the NFRA distributed a total of 451,934.32 metric tons to respond to disasters across various parts of the country. Moreover, the government, through the NFRA, has built 38 warehouses with a capacity to store 341,000 metric tons of food, thereby increasing the storage capacity from 251,000 metric tons to 341,000 metric tons. The government has also increased its food reserves from 61,837 metric tons in 2015/2016 to 143,656 metric tons in 2021/2022. While the NFRA plays a vital role in ensuring food security during emergencies, the reserve size remains inadequate for addressing large-scale or prolonged food crises, especially in regions prone to recurrent droughts and floods.

### *1.5.1.2 Risk Transfer Mechanisms*

(i) **Catastrophic Bonds:** Currently, Tanzania has not fully explored the potential of catastrophic bonds for disaster response and recovery. The financial instruments in use today include commercial bonds, and more recently, infrastructure bonds and water bonds, which are primarily designed to finance water development and infrastructure projects.

(ii) **Social Protection Schemes:** The GoT is implementing social protection programmes such as Poverty and Social Safety Net (PSSN) program through the Tanzania Social Action Fund (TASAF) to uplift the lives of poor and vulnerable households from poverty. TASAF, for example has been implementing projects that target the poor, among others through cash transfers as well as labour intensive public works such as rural roads construction, reforestation and public buildings. Communities are directly engaged in the selection of programs and beneficiaries. Meanwhile, the Government has enacted the UHI act number 13 of 2023 of which the equity fund has been established to support the indigent population.

### *1.5.1.3 Ex-post Disaster Risk Financing instruments (post-disaster)*

Ex-post disaster risk financing instruments are initiated after a disastrous event to support immediate response, recovery, and reconstruction efforts. Tanzania has diversified financial instruments for post-disaster response including budget reallocations, external assistance, and post-disaster support programs.

### *1.5.1.3 .1 Budget Reallocations and Virements*

Virements and reallocations have been used by the government to respond and recover from disaster events. For instance, in FY2024-25, TZS 10.7 billion was reallocated to respond to El-Niño and Cyclone Hidaya floods and landslides. Also, in December 2023, TZS 13.1 billion from the central government budget was released to severe flooding and landslide struck Hanang District. While these reallocations showcase the government's dedication to disaster response, they often disrupt the regular operations of line ministries, leading to underperformance of their core responsibilities. Moreover, budget reallocations tend to jeopardize progress in the line ministries. As such, the government will ensure alternative disaster risk financing

instruments particularly ex-ante instruments are designed and adopted to finance disaster events.

### *1.5.1.3 .2 External Assistance*

External assistance has been used by the government of Tanzania to respond to large-scale disasters. For example, in the 2021/22 fiscal year, the government secured a concessional loan of USD 567.25 million (equivalent to TZS 1,310.65 billion) from the International Monetary Fund (IMF) to support the National Development and COVID-19 Response Program. This funding played a crucial role in mitigating the socio-economic impacts of the pandemic.

### *1.5.1.3.3 Post-disaster support programs*

Post-disaster support programs have been playing crucial role in providing immediate relief to communities affected by disasters. The government has been collaborating with non-governmental organizations (NGOs) to provide support to the victims of various disasters. For example, following the Hanang disaster, the government of Tanzania constructed 109 houses for displaced families and provided essential agricultural inputs to farmers. Additionally, international NGOs like the Americares Tanzania, in collaboration with the Tanzania Red Cross Society, provided humanitarian assistance valued at 100 million TZS to support flood victims in Rufiji (Red Cross Tanzania, 2022). While these efforts are commendable, post-disaster support often falls short of fully restoring livelihoods and meeting long-term recovery needs. This being the case, the government will strengthen ex-ante financing mechanisms to ensure effective and efficient response and recovery from disaster events. Also, given the role the humanitarian sector plays in the financing and implementation of disaster response in Tanzania, the government will support the coordination of disaster response by convening humanitarian and development partners to ensure resources are delivered in line with Government's disaster response plans.

## *1.5.2. Disaster Risk Financing Gap in Tanzania*

The combined use of the above assessed financing instruments (estimated to be USD 14 million[14]) is assessed to be sufficient to handle the emergency response and early recovery cost of a 5-year disaster event. The baseline analysis shows that, a gap of approximately USD 5.5 million will appear at 10-year response needs of approximately USD 19 million. If all contingency funds and emergency portion of road fund are accessible (with the total of around USD 75 million), it will be sufficient to cover nearly 50-year emergency and early response needs of USD 88 million.

For rehabilitation and reconstruction, the GoT uses fiscal instruments consisting of sector specific funds and other rehabilitation and reconstruction budget

[14] Given the likely competing needs for the contingency reserve and the emergency fund under the road fund, baseline assumes 15 percent of the contingency reserve and road fund emergency allocation can be used for disaster response purposes.

lines/allocations. Reconstruction and recovery financing gaps were estimated at USD 74 million for 25-year events to USD 230 million for 50-year events[15] (Figure 1.6). These estimated gaps exclude financial sector instruments given the limited penetration of non-life insurance covering disasters. Likewise, contribution of adaptive social protection was excluded from the status quo analysis.

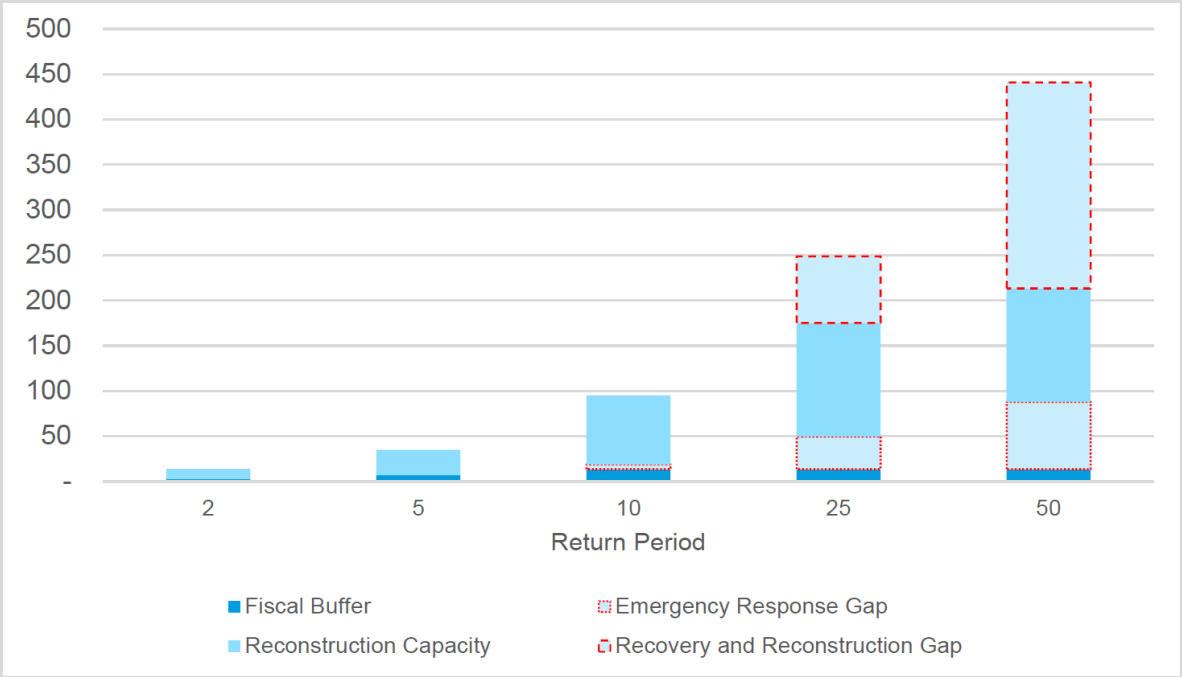



**Figure 1.6: Financing Gap for Disaster Response and Reconstruction in Tanzania (USD million)**
Source: IMF staff estimates

[15] Likewise, for reconstruction spending, our baseline assumes 15 percent each of sectoral funds are available for disaster purposes

# CHAPTER TWO: POLICY, LEGAL AND INSTITUTIONAL FRAMEWORK

## 2.1 Policy Framework

The National Disaster Management Policy of 2024 is the overall policy framework for disaster risk management activities in Tanzania mainland. The policy recognizes disaster as a cross – cutting issue that requires a whole of society approach for comprehensive and integrated disaster risk financing and investment for resilient development. In this perspective, the policy addresses disaster risks by involving different sectors at national and local government authorities, independent agencies and their respective stakeholders, including UN and international agencies, media, NGOs, FBOs, CBOs, academic and research institutions, and private sector.

## 2.2 Legal Framework

The legal framework for DRR in Tanzania is guided by the Disaster Management Act No. 6 of 2022. The Act established the DRR governing framework from national to local level. The Act is a legal framework for the enforcement of disaster risk management in Tanzania. It requires different sectors to address disaster risks including financing through mainstreaming DRR in their policies, strategies, plans, programs, and budgets. It empowers the sectors to undertake various disaster risk management roles and responsibilities that are relevant to their core functions according to existing sectoral legislations.

## 2.3 Institutional Arrangement

Disaster risk management in Tanzania mainland is under the Prime Minister's Office (PMO) which is responsible for coordination of disaster risk management and humanitarian services. The institutional arrangement considers existing governance structure from national to local level and involves various stakeholders ranging from government Ministries, Departments and Agencies (MDAs), Regional Secretariats (RSs), Local Government Authorities (LGAs) and Public Institutions, Academic and Research institutions, UN and International Agencies, Private Sector, Non – Governmental Organisations, Faith and Community Based Organisations, Media and influential persons. Some of the provisions of the key DRM related laws, policies and strategies in Tanzania are indicated in Table 2.1 below:

**Table 2.1: Key DRM Related Laws, Policies, Strategies, Frameworks and Strategies**

| Legal Frameworks | Key provisions |
|---|---|
| National Disaster Management Policy 2024 | ○ The policy sets out guidelines for disaster management arising from natural and man-made disasters, while emphasizing the strengthening of pre-disaster measures which include disaster risk financing and investment aiming to prevent and mitigate the impacts of disasters, as well as measures for preparedness, response and post-disaster recovery to save lives and restore economic and social infrastructure in a timely manner<br>○ It provides policy guidance to strengthen disaster management methods and systems by focusing on the joint cooperation of various sectors, stakeholders and communities. |
| Disaster Management Act No. 6 of 2022 | ○ Requires each ministry, department, institution, regional administration and local government authority to mainstream in their plans and budgets measures for prevention and mitigation of the impact of hazards and prepare for disaster response.<br>○ Establishes the Disaster Management Fund.<br>○ Encourages and facilitates resource mobilization at various levels of government.<br>○ Facilitates stakeholder collaboration at all levels, including international organizations, donors, and local communities. |
| Disaster Management Regulation, 2022 | ○ Establishes procedures for utilizing funds from the National Disaster Management Fund for hazard prevention and mitigation, disaster preparedness, response and recovery.<br>○ Provides for the recording of disaster events and their magnitude.<br>○ Allocates the responsibility and provides a process for rapid damage assessments. |

| | |
|---|---|
| UHI Act, 2023 | ○ Targets to provide health insurance for all citizens<br>○ Establishes procedures for Resource mobilizations through earmarked taxes<br>○ Provides procedures to pay premiums for the poor and vulnerable populations |
| Disaster Preparedness and Response Plan, 2022 | ○ Establishes operational procedures and guidelines to save lives, minimize injuries, protect property, and preserve government functions during disasters.<br>○ Provides a framework for coordinated emergency operations involving government departments, UN agencies, NGOs, and volunteer organizations. |
| Public Investment Management Operations Manual (2024) | ○ Requires the undertaking of Environmental Impact Assessments to assess the vulnerability of projects to natural disasters and climate change. |
| Environmental Impact Assessment and Audit Regulations 2024 | ○ Requires the environmental impact assessment to also cover project climate/disaster vulnerabilities. |
| National Disaster Management Strategy 2022 – 2027 | ○ Provides objectives on increasing public and private financing and investments in disaster risk management.<br>○ Considers establishing national disaster risk reduction investment and financing framework and resources mobilization strategy; strengthening operational framework for disaster risk transfer, insurance, risk-sharing and financial protection for public and private investment based on quantitative risk estimates; it also facilitates enhancement of social safety nets and volunteerism as DRM measures; and formulation of incentive measures for encouragement of investment in DRM. |
| Nationally Determined Contributions 2021 | ○ Emphasizes that reducing the impact of climate-related disasters in Tanzania requires a multi-sectoral approach, with clear integration of disaster risk prevention, preparedness, and response into broader climate adaptation effort. |

| | |
|---|---|
| | ○ Covers climate smart planning, sustainable land management policies to minimize vulnerabilities, resilient infrastructure, early warning systems, capacity building, the promotion of insurance schemes, emergency response, and post-disaster recovery, including damage assessment and resilient recovery practices. |
| National Climate Change Response Strategy NCCRS 2021-2026 | ○ Integrates disaster risk management into broader climate change adaptation efforts, emphasizing preparedness, community participation, capacity building, and ecosystem-based solutions. |
| Tanzania Meteorological Authority Act, 2019 | ○ Prescribes the weather and climatic requirement for sectoral activities.<br>○ Provides and monitor weather and climatological services. |

# CHAPTER THREE: GOAL, STRATEGIC PRIORITIES AND GUIDING PRINCIPLES

## 3.1 The Goal

The goal of this Framework is to strengthen the ability of the country to prevent, and mitigate impact of hazards, prepare for effective response and recovery to disasters, thereby saving lives, protecting development goals, environmental protection, fiscal and economic stability and wellbeing of the people.

## 3.2 Strategic Priorities

In achieving this Goal, the focus will be on the following strategic objectives/priorities;

(i) Improving quantitative disaster risk information related to economic loss and damages including financing needs modelling.

(ii) Strengthening and improving sovereign disaster risk financing capacity.

(iii) Evaluating options to improve transfer of disaster risks outside the government budget to the private sector and strengthen the domestic insurance market.

(iv) Strengthening public finance management for disaster risk.

(v) Strengthening shock-responsive social protection.

(vi) Strengthening financial sector instruments for disaster risk management.

(vii) Strengthen the institutional framework and coordination mechanism for disaster risk financing.

## 3.3 Guiding Principles

The objective of this DRFF is to provide strategic guidance and direction to reduce the economic and fiscal effect of disasters by combining instruments that address the existing and potential impact of disaster risks. It is integral to a comprehensive, and proactive approach to disaster resilience which also includes investments in DRR and preparedness (e.g., resilient infrastructure and multi-hazard early warning systems), and adequate DRM policies and institutions. The core principles expected to guide the execution of this DRFF include timeliness of funding, disaster risk layering, disbursement of funds, data and analytics, adaptive capacity building, multi-stakeholder engagement, and continuous evaluation and improvement.

### *3.3.1 Timelines of Funding*

The strategy is built on the recognition that different financial instruments are suited to different financing needs at different phases of a disaster response. Therefore, the financing instruments are divided across three key phases of disaster response (Figure 3.1).

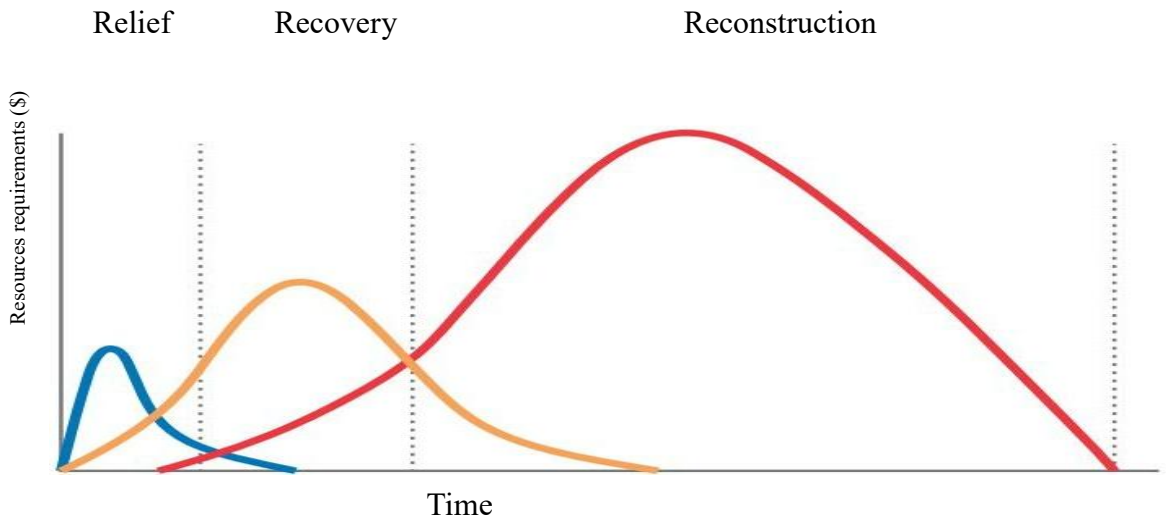



**Figure 3.1: Post-disaster resource/funding requirements in a country.**
Source: World Bank Group (2014)

During disaster response phase, rapid mobilization of funds will be made for the affected population to limit the negative impacts of disasters and limit the overall response costs and provide much needed support to the population. Pre-arranged financing will be made to provide quick liquidity after the disaster strikes to support relief and early recovery efforts. This shall give the government time for mobilizing resources required for the other DRM phases including reconstruction. This variation in the timing of needs has clear implications for the design of cost-effective financial management of disasters.

### *3.3.2 Timely Disbursement of Funds*

The government will ensure timely, targeted and pre-arranged funds disbursement mechanisms to support the fast and efficient distribution of funds to clusters and beneficiaries. To achieve this, the government will use the existing institutional frameworks, programs, and expertise to effectively allocate, disburse, and monitor response, recovery, and reconstruction funds. Further, the mechanism will involve a strong collaboration between the Ministry of Finance and other government ministries and/or agencies tasked with spending post-disaster funds (such as state-owned enterprises). The disbursement system will take into consideration the existing public finance legislation and procedures including timeliness, transparency, and the accountability requirement of public funds.

### *3.3.3 Strategic Layering of Financial Instruments against Risks of Varying Magnitude*

The government shall deploy a combination of different disaster risk financing instruments to protect against events of different frequency and severity[16] to ensure optimal resource allocation, prioritizing cost-effective financing. Figure 4.1 provides a general overview of financial tools for disaster risk management for different risk layers and response phases. This risk layering approach is part of a comprehensive financial protection strategy that mobilizes different instruments, either before or after a disaster strike, to address the evolving need for funds. Cheaper sources of money will be used first and most expensive instruments will be used only in exceptional circumstance[17]. For example, for recurrent events particularly relatively small events like flooding, a disaster reserve fund will provide quick liquidity to finance preparedness and emergency response most cost-effectively, while for medium-sized events, contingent credits and grants will complement reserves to finance long-term reconstruction. Further, for more extreme but rare disaster events, risk transfer instruments will be used to provide additional protection to the government and private sector (businesses, households, farmers) most cost-effectively. Implementing risk transfer mechanisms involves shifting the financial burden of disasters from the government and local communities to external entities, such as insurance companies or international financial markets that are designed to absorb these risks effectively. This will be achieved through instruments like insurance policies, catastrophe bonds, and reinsurance. Utilizing these mechanisms will ensure rapid financial response and recovery without heavily relying on limited local resources.

[16] Schäfer, Laura, and Eleanor Waters (2016), "Climate Risk Insurance for the Poor & Vulnerable: How to Effectively Implement the Pro-Poor Focus of InsuResilience." https://i.unu.edu/media/ehs.unu.edu/news/11862/RZ_G7_MCCI_ DinA4_6Seiter151201.pdf.

[17] World Bank Group, (2014), "Financial Protection Against Natural Disasters: An Operational Framework for Disaster Risk Financing and Insurance." Washington, DC. https://openknowledge.worldbank.org/handle/10986/21725.

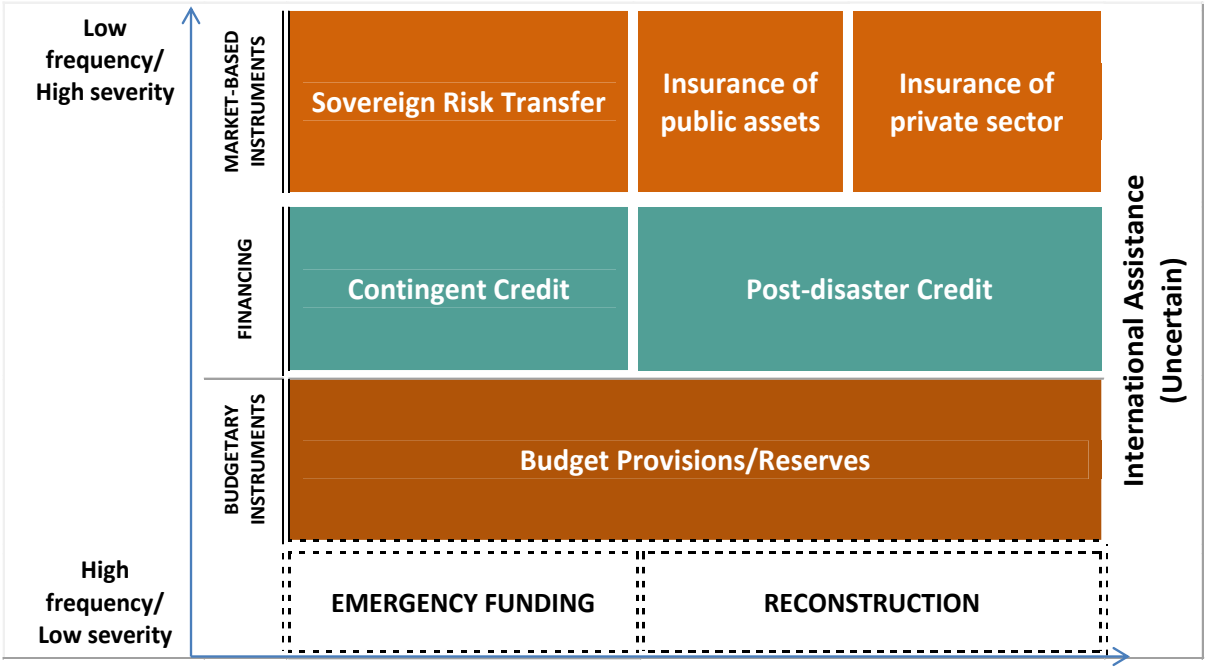



**Figure 4.1: Financial Instruments for Disaster Response: A Framework**
Source: MicroSave Consulting, 2024[18]

### *3.3.4 Data and Analytics Principle*

The government will ensure that the right information is available from relevant data generating authorities/institutions including Tanzania Meteorological Authority (TMA), National Bureau of Statistics (NBS), Tanzania Insurance Regulatory Authority (TIRA), MoF and DMD database for sound financial decisions about financial protection against disasters. Sound financial decision-making will utilize actuarial analysis and tools to help in understanding and evaluating alternative financial instruments and strategies; and quantitative analysis to leverage financial markets and private sector solutions. Thus, investing in risk information, models, and tools to assess hazards, exposures, vulnerabilities and potential impact of losses is critical. Disaster risk information will be continuously updated to support decision-making regarding investments in disaster risk management.

### *3.3.5 Adaptive Capacity Building*

For effective disaster risk management, the government will strengthen the adaptive capacity of institutions, communities, and individuals. This will involve enhancement of skills, knowledge, and resources to anticipate, prepare for, and respond to disasters. Continuous training and education programs including financial literacy, technical assistance, and resource allocation will be prioritized to build resilience against future risks.

[18] MicroSave Consulting, (2023). Disaster Risk Finance Strategy, Guideline Document for Pacific Island Coutries (PICs). Pacific Insurance and Climate Adaptation Programme (PICAP).

### *3.3.6 Multi-stakeholder Engagement*

The government will ensure this DRFF is holistic and effective by engaging a diverse range of stakeholders, including government agencies, private sector entities, non-governmental organizations, and local communities. This collaborative approach will ensure all perspectives are considered, and that resources and expertise are pooled. Fostering strong partnerships and communication channels among stakeholders will enhance coordination and resource mobilization.

### *3.3.7 Continuous Evaluation and Improvement*

The government will ensure the DRFF is dynamic and continuously evolving based on lessons learned from past events, emerging risks, and new opportunities. Thus, regular monitoring, evaluation, and feedback mechanisms will be prioritised to identify areas for improvement and adapt the strategy accordingly. This will involve periodic reviews of the DRFF, incorporating stakeholder feedback, and updating plans and instruments as needed.

# CHAPTER FOUR: STRATEGIC PRIORITIES IMPLEMENTATION

The goal of this Framework is to strengthen the ability of the country to prevent and mitigate the impact of hazards, prepares for effectively response and recovery to disasters, thereby protecting development goals, fiscal and economic stability and wellbeing of the people. Therefore, this section outlines strategic priorities for improving post-disaster financing for effective and timely management of disaster event.

## 4.1 Improve quantitative disaster risk information related to economic loss and damages including financing needs modelling

Assessment and quantifying economic and fiscal risks associated with disasters is the critical step for adequate and timely management of potential impacts of disasters including planning and adoption of cost-efficient financing instruments. This requires establishment and continuous update of the disaster risk profiles including the development of risk and resource maps based on probabilistic catastrophe models which use key inputs like information on hazards and estimates of their likely occurrence at different magnitudes, exposures of people and economic assets, and vulnerability of such assets and populations to the impact of a given disaster.

This assessment will produce a disaster risk financing gap, particularly when there may be a funding shortfall for moderate, severe, and catastrophic disasters. It will provide vital data to inform the government for making decision on what risk financing instruments to utilize (including risk retention and risk transfer) to cover the costs of disaster response, recovery, and reconstruction effectively. As such, the government will invest in improving both reporting of past disasters and availability of catastrophe risk modelling outputs for priority hazards. The following are priority areas for the improvement on disaster risk information relevant to DRF in Tanzania: -

(i) Updating disaster risk profiles and ensure risk-related data are regularly reviewed and utilized in strategic planning.

(ii) Strengthening a system to record, collect, manage, and update disaster loss and damage data and produce annual reports to inform prevention and mitigation measures and prepare for response, recovery and reconstruction efforts. This will involve improving and standardizing data collection protocols using digitalized forms, move towards an integrated disaster management information system in the longer term.

(iii) Strengthening and populating a national public assets database to improve information on the exposure of public assets to disasters, including infrastructure and public buildings. This will improve the understanding of the country's disaster-related contingent liability.

## 4.2 Strengthening and improving sovereign disaster risk financing capacity

The GoT will develop a comprehensive portfolio of disaster risk financing mechanisms and review them annually to ensure they effectively meet government objectives and are cost-effective. The historical landscape of disaster risk financing shows that several mechanisms have been used to respond to and recover from the impacts of natural or human-induced disasters in Tanzania. The following are the measures that the government will deploy to strengthen and improve ex-ante and ex-post disaster risk financing instruments in Tanzania.

(i) Determining specific objectives for disaster risk financing, such as the types of events to cover and the costs to be addressed in disaster management measures.

(ii) Conducting a financial gap analysis when need arises, and compare available funding against the required needs for various disaster scenarios. This will provide the basis to identify funding shortfalls and inform strategic decisions on the adoption of additional or new financing instruments.

(iii) Assessing the cost-efficiency of existing and potential disaster risk financing instruments to inform strategic decision-making. This assessment will ensure that the best value for money is achieved by addressing identified financial gaps for different events and aligning with policy priorities. Through thoroughly analysis of the cost-benefit ratios of various instruments, the government can prioritize those that offer the most effective financial costs against magnitude of disasters.

## 4.3 Evaluating options to improve transfer of disaster risks outside the government budget to the private sector and strengthen the domestic insurance market

The Government will evaluate options to transfer disaster risks to the private sector and enhance the domestic insurance market. This strategy will involve identifying and promoting risk transfer mechanisms such as insurance and reinsurance and fostering a competitive and resilient insurance sector. Strengthening the domestic insurance market will provide more robust financial protection against disasters, reduce the fiscal burden on the government and provide investment and businesses, and support overall economic stability of the country. There are various disaster risk transfer instruments which are currently operational and others which have a potential for implementation in Tanzania such as private catastrophe insurance for households and businesses; reinsurance agreements; agricultural insurance; sovereign insurance; property catastrophe insurance; and tourism insurance. Below are actions to be carried out for strengthening disaster risk transfer and domestic insurance mechanisms in Tanzania:

(i) Exploring sovereign insurance products such as for droughts, floods and fires to transfer catastrophic risks to the market.

(ii) Encouraging and promoting the development, penetration, and uptake of private catastrophe insurance for households and businesses to reduce disaster-related contingent liabilities through awareness campaigns, informational materials, and workshops.

(iii) Continuing to promote the growth of reinsurance agreements to allow primary insurers to transfer portions of their risk portfolios to other insurers, spreading risk and reducing the likelihood of large obligations for a single insurer during catastrophic events.

(iv) Promoting the use of business interruption insurance for hotels to cover income lost due to natural disasters, ensuring continuity of operations and quicker recovery for the tourism sector perils.

(v) Continuing to promote the design and uptake of agricultural insurance by ensuring products meet farmers' and livestock requirements, raise awareness about the insurance products and their benefits for small and medium business owners.

## 4.4 Strengthening public finance management for disaster risk

The government has established disaster management coordination mechanism which recognizes the importance of mainstreaming disaster risk financing in sectoral development plans and budget at all levels. In respond to future disaster events of varying frequency and severity, the government will continue to strengthen its financing capacity and financial management systems and practices for timely and effective response and recovery. The key initiatives that will be undertaken by the government will include the following;

(i) Strengthening and harmonizing expenditure review, and reporting on disaster management to enhance clarity of disaster expenditure using existing tools to identify financing gaps and support planning for efficiency measures. This review will analyze past disaster events and estimate the actual costs of disaster management efforts based on budget allocations. This will increase transparency and help to improve resource allocation and future planning in disaster management.

(ii) Conducting performance audit and/or ex-post evaluation of disaster management funding programs (including infrastructure investments, relief efforts and public procurement). This will help to shed lights on how effective disaster management program are, as well as to provide useful information to help inform the development of future disaster management activities and improve their effectiveness and efficiency.

## 4.5 Strengthening shock-responsive social protection

Strengthening shock-responsive social protection is the priority of the GoT due to the country’s susceptibility to disasters emanating from various hazards like earthquake, pandemics (disease outbreaks), climate-related hazards like droughts and floods and economic challenges. Currently, social safety policies are implemented under the Prime Minister’s Office – Labour, Employment, Youth and Persons with Disability

(PMO-LYED) through its Social Protection Division. Also, the PMO has set up mechanism for supporting disaster affected and vulnerable population with cash transfer through the process outlined in the Disaster Management Regulations of 2022. The existing social protection programs, such as cash transfers and cash for work provide vital support to empower disaster affected population and vulnerable groups. This help to minimize harmful coping strategies like selling household assets or accumulating debt, which increase their vulnerability. Therefore, the government will take measure to strengthen shock-responsive social protection through the following:

(i) Assessing the implementation of the PSSN on disaster risk context to identify funding gap.

(ii) Continuing to expand the coverage of the social register by taking a risk-based approach and include disaster affected and vulnerable population in high-risk areas.

## 4.6 Strengthening financial sector instruments for disaster risk management

Strengthened financial inclusion offer opportunities to strengthen the country's financial resilience against disaster risks including climate change related disasters. However, assessment of the landscape of financial policy response to disaster risks particularly the current state of financial inclusion and various activities implemented by relevant actors including banks, microfinance, and insurance sub-sectors reveals that; currently, Tanzania lags behind the regional peers on financial inclusion, which constrains the private sector's ability to anticipate, cope and recover from disaster shocks. According to the Global Findex Database, the proportion of adult population having account at financial institutions in Tanzania stood at 23 percent in 2021, far below the global and Sub-Sahara regional averages of 74 percent and 40 percent respectively[19]. Further, the assessment shows that inclusion of disaster specific concerns/initiatives are generally limited in various sub-sector policies including the Tanzania's Financial Sector Development Master Plan (FSDMP) 2020-2030, the Financial Inclusion Framework 2023-2030[20] and the Microfinancing Policy 2017[21] (along with its implementation strategy 2017/18-2027/28[22]). In ensuring financial inclusion in the country is strengthened, the government will further take the following actions;

(i) Evaluate the consistency of existing disaster management support for key societal segments; ensuring duplication and creation of disincentive are avoided.

(ii) Mainstream disaster risk into public sector development policies, plans and budget and private investment.

[19] FinScopeTanzania-2023-Full-Report-Insights-that-Drive-Innovation.pdf
[20] https://www.bot.go.tz/Adverts/PressRelease/en/2023080516453703.pdf
[21] en-1676633421-MICROFINANCE Policy - Fedha English.pdf
[22] National Microfinance Policy 2017 Implementation Strategy for The Period 201718 – 202728.pdf

## 4.7 Strengthening the institutional framework and Coordination mechanism for disaster risk management

The implementation of this framework will consider coordination mechanism established through Disaster Management Act No. 6 of 2022. The coordination framework considers all levels of government and involves key disaster management stakeholders in government and non-government actors. Strengthening the institutional framework and coordination mechanism for DRFF is essential for Tanzania's ability to effectively manage and respond to the financial consequences of disasters. A robust institutional and coordination mechanism is crucial for ensuring effective collaboration among government agencies, development partners, and local authorities during emergencies. Poor coordination often results in fragmented responses, inefficient resource use, and gaps in assistance for the most vulnerable groups. By defining clear roles and communication channels within the DRF system, the government can improve the efficiency of disaster management efforts, ensuring that resources are deployed effectively and the needs of vulnerable and disaster-affected populations are met. Also, strengthening coordination will promote transparency, accountability, and alignment with national development goals, ensuring that DRF strategies are sustainable and beneficial for long-term resilience. The government will take strategic measures to strengthen coordination mechanism for sustainable disaster risk financing mechanism as follows:

(i) Strengthening capacity through local, regional and international partnerships and collaboration. This is vital for innovative thinking, knowledge sharing and production of analytical tools for new products and human capacity. Further, it will create an enabling environment for the transfer and application of disaster risk financing instrument approaches in disaster risk management, national planning and public financial management to ensure quick and efficient disbursement and access of funds in the immediate aftermath of a disaster.

(ii) Reviewing allocation of disaster risk related responsibilities and resources to ensure that needs are matched with funding.

(iii) Improving the regulatory framework for disaster resilience infrastructure for private and public sector. This will involve encouraging private sector to undertake risk prevention and mitigation measures, including by introducing building codes that ensure safe construction technologies in disaster vulnerable areas.

# CHAPTER FIVE: INSTITUTIONAL ARRANGEMENT FOR IMPLEMENTING THE FRAMEWORK

This DRFF is a practical framework that sets out the strategic direction that will guide DRF for the next five years in Tanzania. As it requires effective coordination of all relevant stakeholders for its successful implementation, this framework will make use of the existing disaster management structures as stipulated in the Disaster Management Act No 6 of 2022 As such, at the national level the DMD established under the Prime Minister's Office (PMO) which is the national focal point for the coordination of disaster risk reduction and management will be the lead responsible for the overall coordination of the stakeholders in the implementation of this DRFF in close collaboration with the Ministry of Finance (Figure 5.1).

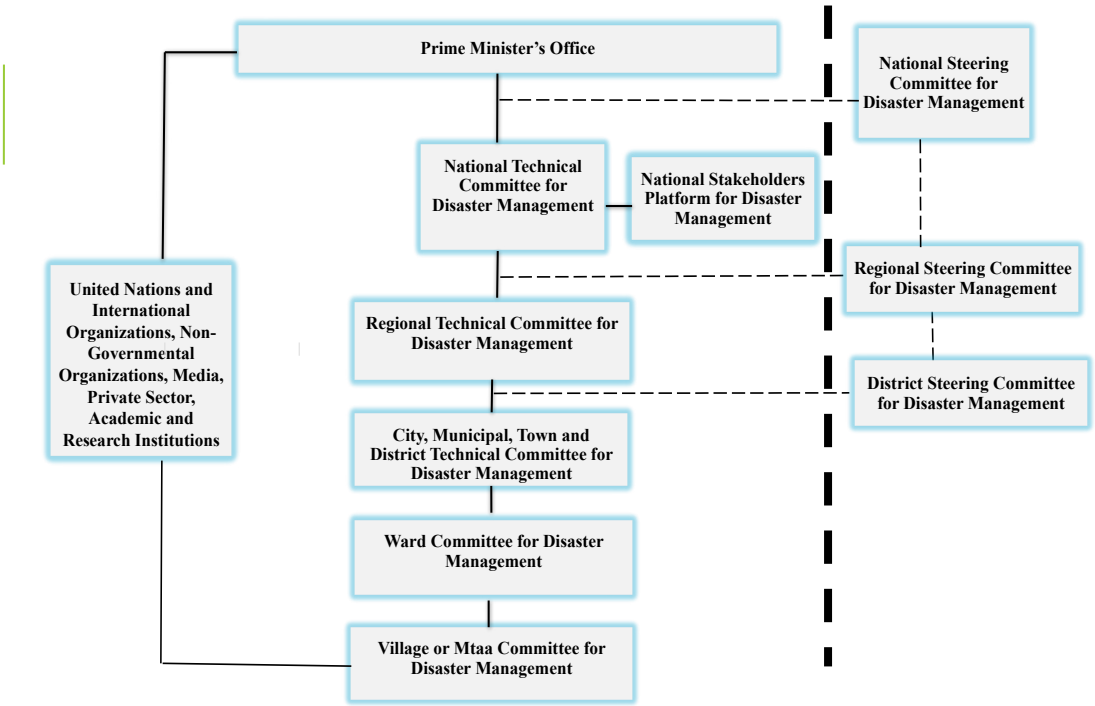



**Figure 5.1: Institutional arrangements for implementing the strategy**

The PMO's is responsible for coordinating the highest decision-making body on disaster management and related matters in Tanzania through the National Steering Committee for Disaster Management; and the management of its affairs are overseen by the National Technical Committee. The PMO's is responsible for formulating policies and plans on all activities related to disaster management in Tanzania Mainland including resource mobilization. Other functions include;

a) Acting as the central planning, coordinating and monitoring institution for the prevention, mitigation, preparedness, response and post-disaster recovery, taking into account all potential disaster risks;

b) Coordinating and monitoring inter-ministerial, multi-sectoral entities and technical committees responsible for disaster management at all levels;

c) Establishing an Emergency Operation and Communication Centre;

d) Establishing early warning system covering all sectors and maintaining close links with different institutions that provide warning services;

e) Providing education, knowledge and use of information communication technology in disaster management for public awareness;

f) Requiring from any organisation, department, authority, person or body of persons, to furnish to it such information required for the purpose of disaster management operation, as the director may require.

At the regional and local level, the coordination of the DRFF is through Local Disaster Management Committees which include the Regional, District, Ward and Village Disaster Management Committee. Secretaries to the Disaster Management Committees of the respective region, district, ward and village are respective disaster management coordinators. To ensure inclusiveness and sustainability, the already established structures will be used to implement the framework. These structures will be responsible for the facilitation of a coordinated effort in among others data collection, risk assessment, funds mobilization and disbursement and information sharing between government and communities.

# CHAPTER SIX: IMPLEMENTATION PLAN, MONITORING, EVALUATION AND REVIEW

The development of this DRFF is the first critical step in strengthening disaster risk financing in Tanzania. A detailed implementation plan has been prepared with timings as a road map on each of the identified strategic priority and targets as shown in Annex 1.1 to monitor, evaluate and review the achievements of this DRFF. The DRFF monitoring and evaluation framework is essential for assessing progress in the implementation of the framework and taking remedial measures where appropriate. Thus, the on-going monitoring will form an integral part in the framework implementation in order to realize the intended results. The on-going routine monitoring and reports that will be produced will enable the PMO to assess whether the framework is being implemented according to plan, and address any challenges being encountered. A mid-term evaluation will enable the implementing units to determine whether the plan has achieved its intended outcomes. A monitoring and evaluation framework for this framework will be developed in the first year and a task team will be established across key departments to monitor and report on the implementation of the framework.

# CHAPTER SEVEN: CRITICAL SUCCESS FACTORS

This section presents Critical Success Factors (CSF) that are assumed to be already in place for the stakeholders to meet the targets. However, they may change over time; hence the need for all relevant stakeholders to regularly observe them and make adjustments where necessary.

## 7.1 Political Support

The importance of creating an enabling environment for continued political support for the DRFF as well as the implementation plan cannot be over-emphasized. This would largely indicate the level of Government's willingness to venture into market-oriented disaster financing instruments.

## 7.2 Strategic Leadership

Leadership is the driving force in the accomplishment of any organization's expected outcomes. It is, therefore, imperative that the guidance of the PMO in the implementation of the strategy is proactive, visionary, inspiring and accommodative.

## 7.3 Support from Key Stakeholders

For the successful implementation of this framework, all stakeholders, including development partners, will give adequate and requisite support.

## 7.4 Staff Capacity

The PMO's will build the necessary capacity in disaster risk financing to effectively implement the framework and monitor its progress.

## Annex 1.1: Tanzania DRFF Implementation Plan - Monitoring and Evaluation Framework

| Strategic Priority 1: Improve quantitative disaster risk information (related to economic loss and damages) including financing needs modelling | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **ACTION/ACTIVITY** | **PRIMARY STAKEHOLDERS** | **SECONDARY STAKEHOLDERS** | **BASELINE** | **KEY PERFORMANCE INDICATORS** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** |
| 1.1 | Update disaster risk profiles | PMO/ NBS/TMA/GST/MoF/MoL/ PO-RALG and MDAs | Development partners Academic and Research Institutions, National and International NGOs | the existing national-level profile is not comprehensive as it covers floods & droughts only | National Disaster risk profiles updated | Collate multi-hazard data from TMA, GST, sector agencies, LGAs. | Use probabilistic modelling tools calibrated with historical events to estimate loss distributions and expected annual losses. | Publish a National Disaster Risk Profile report with an explicit DRF gap section. | Integrate outputs into sectoral planning guidelines and Budget Call Circulars; provide LGAs with access to updated profiles via a digital platform. | National Disaster risk profiles updated (annual updates) |
| 1.2 | Strengthen disaster loss and damage database. | NBS/PMO/ LGAs | TMA, GST, LGAs, sector MDAs; UNDRR | The existing data collection tools are not harmonized. | Data collection tool improved and harmonized | Assess the usability of the existing data collection tools | Data collection tool harmonized. | Trainings on disaster loss and damage data collection conducted. | Orientation, collection of data and updating of data base | Orientation, collection of data and updating of data base |
| 1.3 | Strengthen a national public assets database to improve information on the exposure of public assets to disasters, including infrastructure and public buildings | MoF/NBS/PMO | Development partners Academic and Research Institutions, National and International NGOs | The existing centralized national database Government Assets Management Information System (GAMIS) lacks geo-referencing of assets. | Public assets geo-referenced. | Integrate GIS into GAMIS and conduct training on its use | Classify assets based on vulnerability to disasters | To continue with Classification of assets based on vulnerability to disasters | To continue with Classification of assets based on vulnerability to disasters | Implement a system for periodic updates of asset information. |

| Strategic Priority 2: Strengthen and improve sovereign disaster risk financing capacity | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **ACTION/ACTIVITY** | **PRIMARY STAKEHOLDERS** | **SECONDARY STAKEHOLDERS** | **BASELINE/CURRENT STATUS** | **KEY PERFORMANCE INDICATORS** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** |
| 2.1 | Determine specific objectives for disaster risk financing | PMO/ NBS/TMA/GST/ MoF/MoL/ PO-RALG and MDAs | National and International NGOs | No unified DRF objectives document | Number of clearly defined objectives for disaster risk financing by hazard and phase (preparedness, relief, recovery, reconstruction). | Initiatives for formal DRF objectives document initiated | Formal DRF objectives document developed | Formal DRF objectives document approved and published in DRFF | DRF objectives included in sector plans and fiscal policy frameworks | DRF objectives included in sector plans and fiscal policy frameworks |
| 2.2 | Conduct DRF gap analysis and update when need arises. | PMO/ NBS/TMA/GST/ MoF/MoL/ PO-RALG and MDAs | World Bank (GFDRR) UNDRR, UNDP-IRFF OECD / G20 experts | Financing gap analysis is conducted only during disaster response. | Financial gap analysis conducted. | Study on data consolidation & modeling for comprehensive DRF gap analysis initiated | Updated DRF Gap Analysis report produced. | DRF gap analysis report updated when need arises | DRF gap analysis report updated when need arises | DRF gap analysis report updated when need arises |
| 2.3 | Assess the cost-efficiency of existing and potential DRF instruments to inform strategic decision-making. | PMO; MoF | TIRA; BoT; development partners; research institutions | Limited cost-efficiency analysis fully linked to sovereign DRF portfolio. | Cost-Efficiency Assessment conducted | | Inventory & methodology design, Data collection and analysis | Cost-Efficiency Assessment report completed | Recommendation for priority instruments ranked | Recommendation for priority instruments improved |

| Strategic Priority 3: Evaluate options to improve transfer of disaster risks outside the government budget to the private sector and strengthen the domestic insurance market | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **ACTION/ACTIVITY** | **PRIMARY STAKEHOLDERS** | **SECONDARY STAKEHOLDERS** | **BASELINE** | **KEY PERFORMANCE INDICATORS** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** |
| 3.1 | Explore sovereign insurance products such as for droughts, floods and fires to transfer catastrophic risks to the market. | MoF (Risk Financing Unit); PMO | TIRA; BoT; development partners; research institutions | No existing sovereign parametric insurance | Feasibility study completed | Feasibility study on sovereign DRF instruments conducted | Feasibility study on sovereign DRF instruments conducted | Feasibility study on sovereign DRF instruments conducted | Feasibility study on sovereign DRF instruments conducted | Feasibility study on sovereign DRF instruments conducted |
| 3.2 | Encourage and promote the development, penetration, and uptake of private catastrophe insurance for households and businesses to reduce disaster-related contingent liabilities through awareness campaigns, informational materials, and workshops. | TIRA; insurance companies and brokers; MoF Financial Literacy Unit; | PMO; civil society; development partners; media; LGAs | Insurance penetration ~2%; low awareness of catastrophe-specific products; few dedicated campaigns. | Awareness materials and awareness events/mechanisms/workshops developed and deployed | Awareness materials explaining insurance benefits developed | Awareness creation mechanism leveraging digital technology deployed and launched | Awareness activities/outreach conducted subsequently | Awareness activities/outreach conducted subsequently | Awareness activities/outreach conducted subsequently |
| 3.3 | Continue to promote the growth of reinsurance agreements to allow primary insurers to transfer portions of their risk portfolios to other insurers, spreading risk and reducing the likelihood of large obligations for a single insurer during catastrophic events. | TIRA | BoT; primary insurance companies; reinsurance companies (domestic/regional/international); development partners | Domestic reinsurance market exists but limited capacity for large catastrophe exposures | Reinsurance market assessment conducted and treaty types negotiated | Reinsurance market assessment studies initiated | Reinsurance market assessment report completed | Dialogues and discussions on reinsurance penetration and negotiation on favorable treaties for catastrophic covers conducted between insurers and reinsurers | Dialogues and discussions on reinsurance penetration and negotiation on favorable treaties for catastrophic covers conducted between insurers and reinsurers | Dialogues and discussions on reinsurance penetration and negotiation on favorable treaties for catastrophic covers conducted between insurers and reinsurers |

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| 3.4 | Promote the use of business interruption insurance for hotels to cover income lost due to natural disasters, ensuring continuity of operations and quicker recovery for the tourism sector perils. | Ministry of Tourism | TIRA; insurance companies and brokers; hotel associations; PMO; BoT; development partners | Business interruption insurance penetration in tourism low. | Business interruption insurance market analysis conducted and the same promoted | Study on business interruption insurance market analysis initiated | Study on business interruption insurance market analysis completed | Business interruption product design and regulatory approvals initiated | Business interruption product design and regulatory approvals completed | Workshop and outreach for product uptake |
| 3.5 | Continue promoting the design and uptake of agricultural insurance by ensuring products meet farmers' requirements, raise awareness about the insurance products and their benefits, | Ministry of Agriculture; TIRA, | Ministry of Finance, insurance companies; TMA/research institutions; extension services/cooperatives; development partners (World Bank, IFC, GIZ) | Some agricultural insurance pilots exist (e.g., UAP Tanzania), but uptake is low due to awareness, cost, data limitations. Microinsurance Action Plan aims for 50% adult coverage by 2028 but agriculture remains underserved. | Review study on past/existing agricultural insurance and best practices of agricultural insurance elsewhere conducted | Review study on past/existing agricultural insurance and best practices elsewhere initiated. | Report of the study on past/existing agricultural insurance and best practices elsewhere completed. | Co-design of agriculture insurance products, subsidies negotiation with government and donors initiated, | Co-design of agriculture insurance products, subsidies negotiation with government and donors initiated, | Conduct awareness on agricultural insurance products. |

| Strategic Priority 4: Strengthen public finance management for disaster risk | | | | | | | | | | |
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| | **ACTION/ACTIVITY** | **PRIMARY STAKEHOLDERS** | **SECONDARY STAKEHOLDERS** | **BASELINE** | **KEY PERFORMANCE INDICATORS** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** |
| 4.1 | Strengthen and harmonize expenditure review and reporting on disaster Management. | MoF | PMO; National Audit Office | The budgeting tool exists but it lacks Government Financial Statistics (GFS) Codes for disasters spending. | A tool for review and reporting strengthened. | Review current audit and evaluation processes for disaster Management | Develop standardized audit templates focusing on disaster spending categories (relief, recovery, reconstruction) including Government Financial Statistics (GFS) Codes for disasters spending. | Harmonize reporting formats across ministries/agencies involved in disaster management. | Train MoF/PFM audit staff and agency internal audit and evaluation units on disaster-specific audit and evaluation criteria. | Publish Disaster Expenditure Audit and Performance Reports within 6 months after major events, highlighting spending breakdowns and lessons for future budgeting. |
| 4.2 | Conduct performance audit and/or ex-post evaluation of disaster response funding programs | PMO | PMO; National Audit Office; independent evaluators. | Existence of performance audit but not comprehensive. | Performance audit and evaluation conducted | Audit and evaluation study on past major disaster management funding programs initiated. | Audit and evaluation study on past major disaster management funding programs report produced | Performance audits/ex-post evaluations; and evaluation reports with actionable recommendations produced. | Validation workshops with implementing agencies to agree on improvements conducted | Findings integrated into DRF Framework and PFM processes |

| Strategic Priority 5: Strengthening shock-responsive social protection | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **ACTION/ACTIVITY** | **PRIMARY STAKEHOLDERS** | **SECONDARY STAKEHOLDERS** | **BASELINE** | **KEY PERFORMANCE INDICATORS** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** |
| 5.1 | Assess the implementation of the PSSN on disaster risk context to identify funding gaps. | TASAF | PMO; MoF; NBS | PSSN operates but dedicated funding source analysis limited (current PSSN has only one donor (WB)) | Assessment report showing quantified funding gaps and funding sources within the context of disaster risks produced | Assessment studies on the implementation of the PSSN including funding gaps and funding sources within the context of disaster risks initiated | Report on the PSSN assessment with funding gaps, funding sources (resources mobilizations) analysis and recommendations produced | Inclusion of recommendations in TASAF and MoF budget planning | Inclusion of recommendations in TASAF and MoF budget planning | Inclusion of recommendations in TASAF and MoF budget planning |
| 5.2 | Continue expanding the coverage of the social register by taking a risk risk-based approach and include disaster affected and vulnerable population in high-risk areas. | TASAF | PMO; MoF; MoCDGWSG MoH; NBS; LGAs; Community organizations. | Social register exists but coverage gaps persist, especially in remote/high-risk areas; risk-based targeting not fully implemented. | Social protection registry covers disaster vulnerable individuals and households | Risk mapping studies to identify high-risk areas and vulnerable populations assessing inclusion of the same in the registry initiated. | Risk mapping study reports produced. | Update social registry database to tag households by risk exposure. | Update social registry database to tag households by risk exposure. | Update social registry database to tag households by risk exposure. |

| Strategic Priority 6: Strengthening financial sector instruments for disaster risk management | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **ACTION** | **PRIMARY STAKEHOLDERS** | **SECONDARY STAKEHOLDERS** | **BASELINE/CURRENT STATUS** | **KEY PERFORMANCE INDICATORS** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** |
| 6.1 | Evaluate the consistency of existing disaster management support for key societal segments; ensuring duplication and creation of disincentive are avoided. | PMO | MoF; sector ministries; LGAs; development partners | No systematic evaluation of overlaps/incentive effects on post-disaster support delivered by multiple agencies. | Mapping database and report informed by stakeholder consultations published | Evaluation study to map existing disaster management support programs across agencies, analyzing overlaps and gaps initiated. | Evaluation report with recommendations to rationalize support and align incentives produce/finalized | Review of findings and recommendations | Integrate recommendations into the DRF Framework and sector guidelines. | Recommendations adopted into policy guidelines |
| 6.2 | Mainstream disaster risk into public plans and budget and private investments. | MoF | PMO | No crosscutting objectives addressing DRF<br><br>No guideline for mainstreaming disaster risk in budget and plans | Disaster risks mainstreamed into sector development policies, budget and plans<br><br>Guidelines for mainstreaming disaster risk in budget and plans and private investment | Conduct awareness meetings to stakeholders on mainstreaming DRF into plans and budget.<br><br>Develop guidelines for mainstreaming disaster risk in budget and plans and private investment | Formulate MTEF objective which address DRF issues. | Incorporate disaster risk objective into plans and budget. | Implement disaster risk objective into plans and budget. | Implement disaster risk objective into plans and budget. |

| Strategic Priority 7: Strengthen the institutional framework and coordination mechanism for disaster risk financing | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **ACTION** | **PRIMARY STAKEHOLDERS** | **SECONDARY STAKEHOLDERS** | **BASELINE/CURRENT STATUS** | **KEY PERFORMANCE INDICATORS** | **2025/26** | **2026/27** | **2027/28** | **2028/29** | **2029/30** |
| 7.1 | Strengthen capacity through local, regional and international partnerships and collaboration. | PMO | MoF; MoA | Currently the Government participate in different national, regional and international forum and international forums but DRF-specific collaboration nascent. | Active participation commitments in local, regional and international DRF initiative | Identify relevant local, regional and international DRF initiatives for potential signing of participation agreement. | Organize/attend national, regional and international workshops and training events and collaborate on joint research and data-sharing protocol. | Organize/attend national, regional and international workshops and training events and collaborate on joint research and data-sharing protocol. | Organize/attend national, regional and international workshops and training events and collaborate on joint research and data-sharing protocol. | Organize/attend national, regional and international workshops and training events and collaborate on joint research and data-sharing protocol. |
| 7.2 | Review allocation of disaster risk related responsibilities and resources to ensure that needs are matched with funding | PMO | Planning Commission; sector ministries; LGAs; National Audit Office; | Mandate fragmentation across agencies and while IFMIS data exists but not consolidated for DRF. | Disaster risk related responsibilities and resources reviewed to ensure that needs are matched with funding | Map institutional mandates across DRR/DRF functions (national/sub-national) and review past 3–5 years of budget allocations. | Mandate and budget mapping completed. | Review Report endorsed. | Budget reallocations according to responsibilities implemented; and dedicated disaster risk lines created. | Periodic reviews conducted 2–3 years |

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| 7.3 | Improve the regulatory framework for disaster resilience infrastructure for private and public sector. | Ministry of Works; Ministry of Transport | TBS, PMO; local government authorities; Ministry of Lands & Human Settlements Development (MLHHSD); Urban Planning Authority; construction industry associations; academia | No unified national building code, hazard data not systematically integrated into planning; low risk awareness among builders; limited incentives for resilient construction | Regulatory gap analysis done; draft Building Code prepared, and risk sensitive Building Code produced | Conduct gap analysis of existing construction regulations and identify missing provisions for hazard resilience. | Gap analysis of existing construction regulations and missing provisions for hazard resilience report finalised. | Building Codes prepared | Risk sensitive Building Code prepared and implemented | Risk sensitive Building Code implement ed |