

# Flooding: Toward a Municipal Contribution to Economic Risk Sharing

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Local communities feel the brunt of extreme weather events such as floods as part of the ongoing impacts of climate change. Yet existing cost-sharing mechanisms do not encourage municipalities or disaster victims to reduce flooding risk. This paper asserts that municipalities need to be included in cost sharing for flood damage and proposes an economic contribution mechanism that distributes the cost of damage to residential buildings more equitably.

[Read the full paper: bit.ly/IMFG-Flood-Risk](https://bit.ly/IMFG-Flood-Risk)

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## Key Findings:

A municipality's level of exposure to flooding is not correlated with the value of property in the community.

The low damage rate of most buildings located in flood-prone areas justifies maintaining these buildings in these zones, provided mitigation measures are implemented.

Relocating a minimum number of buildings would considerably reduce the municipality's economic contribution to damage costs.

Implementing an economic contribution mechanism would encourage municipalities to introduce mitigation and risk reduction measures.