

INSURESILIENCE

2ND ISSUE // NOV 2022

magazine

Global Shield against Climate Risks

A new era of collaboration – the joint V20 - G7
financial protection initiative



InsuResilience
GlobalPartnership

IMPRINT

Acknowledgements

The editors gratefully acknowledge the valuable contributions and input of:

Sara Ahmed, Angelica Barlis, Naomi Cooney, Aline Deniau, Sonia Fong, Josefine Greber, Simon Hagemann, Antje Kästner, Jarrod Kath, Kipkorir Koskei, Michel Liès, Alexandra Mieth, Shahbaz Mushtaq, Sumati Rajput, Apurba Shee, Vartika Shukla, Jana Siebeneck, Cornelis Swaans, Chowdhury Mishkat Taher, Kay Tuschen, Jose-Angel Villalobos, Liangzhi You

Editors

InsuResilience Secretariat:
Tal Barak, Lea Sarah Kulick (Editor-in-Chief),
Ines Maria Perez Martinez,
Daniel Stadtmüller, Astrid Zwick

Copy Editing

Katrin Kohl

Design and Layout

kipconcept gmbh, Bonn

November 2022

Published by the InsuResilience Secretariat

Registered office

InsuResilience Secretariat
c/o Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH
Friedrich-Ebert-Allee 32+36
53113 Bonn, Germany

secretariat@insuresilience.org
www.insuresilience.org

Photo credits

AdobeStock: Brian Jackson (p. 1), Who is Danny (p. 2-2, 6), Confidence (p. 2-3, 3, 16-1), rangizzz (p. 9), mariusltu (p. 10), Marcel Braendli (p. 11), Freedomz (p. 13), galitskaya (p. 14), piyaset (p. 19); shutterstock: TUTEO TEO (p.8); GIZ: (p. 2-1, 4, 5, 17, 18-1); Flickr: Alliance of Bioversity International and CIAT (Coffee and Pepper) (p. 18-2); Unsplash: Caspar Rae (p. 18-3)

EDITORIAL

Dear Reader,

We have come a long way since the first edition of our magazine, with many new and exciting ideas starting to take shape. As we look ahead into the future of the Climate and Disaster Risk Finance and Insurance (CDRFI) community, we see a reinvigorated ambition to pool global efforts directed towards helping protect poor and vulnerable people from the impacts of climate change in a more systematic, coherent and sustained approach. Delivering on such a construct has not been easy and it has required many months of discussions and consultations with relevant actors around the world. At the same time, a crucial element has been keeping the needs of those people most at risk as our lodestar throughout the process.

The Global Shield against Climate Risks is the culmination of all these efforts. We hope it will also mark the beginning of a new era of CDRFI.

Enjoy your read.

My very best wishes,
Astrid Zwick
Head of the InsuResilience Secretariat



CONTENT

INSURESILIENCE AT A GLANCE

- 03 Why join the Partnership**
Benefits for Members

IN FOCUS: GLOBAL SHIELD

- 04 Exclusive interview** with H.E. Minister Seedy Keita and Parliamentary State Secretary Dr Bärbel Kofler, Co-Chairs of the InsuResilience High-Level Consultative Group
- 06 The Global Shield** against Climate Risks
Op-Ed by the InsuResilience Secretariat
- 09 From Ambition to Reality**
Perspective by Michel Liès, Chair of the Insurance Development Forum
- 13 From In-country Process to CDRFI Package**



INSURESILIENCE AT WORK

- 16 The InsuResilience Centre of Excellence** on Gender-Smart Solutions
- 18 Latest InsuResilience Case Studies**
- 19 InsuResilience at a Glance**
Key Indicators under the Vision 2025

WHY JOIN THE PARTNERSHIP

BENEFITS FOR MEMBERS

The InsuResilience Global Partnership for Climate and Disaster Risk Finance and Insurance (CDRFI) builds on a collaboration between V20 and G20+ countries and brings together stakeholders from countries, civil society, international organizations, the private sector, and academia.

Currently, more than 120 members have already supported and committed to engaging and contributing to the Partnership **Vision 2025**.



¹ List can be accessed [here](#)

WHY JOIN

Membership in the InsuResilience Global Partnership (IGP) enables countries and stakeholders to engage with and shape a growing community around building financial protection to disasters.

This entails multiple advantages. Indeed, the InsuResilience Program Alliance allows partners such as governments to pursue customized training and assistance, to identify cost-effective financial mechanisms for their countries. International development partners can work together to meet strategic development priorities. Civil society and Non-Governmental Organizations can engage with stakeholders on all levels and help to promote best practice; while the private sector can test the usability of existing insurance solutions, be guided in product innovation, and foster market development.

- › Matchmaking **opportunities** on CDRFI services
- › Supporting **capacity-building efforts** of our Members through Workshops, knowledge sharing and advisory services
- › **Positioning** of InsuResilience members at key international events on CDRFI
- › Access to a wide range of InsuResilience **Internal events and workshops** to encourage knowledge sharing and networking among members
- › Access to **CDRFI impact analytics**
- › Access to **CDRFI programmes** through implementing partners
- › Engaging with a diverse **network** of V20 & G20+ government actors, private sector, international institutions and civil society organizations for mutual learning
- › Developing & fostering **political dialogue** on CDRFI, and developing CDRFI policies and principles that support in-country implementation
- › Access to **best practices** from peer organizations and learning about innovative CDRFI approaches



HOW TO JOIN

The Partnership is inclusive and open to stakeholders aligned to the Vision, objectives and pro-poor principles of the Partnership. Countries and organizations that endorse the Vision and contribute to the objectives of the Partnership can become a member of the Partnership on request. Membership is free of charge.



H.E. MINISTER SEEDY KEITA OF THE MINISTRY OF FINANCE AND ECONOMIC AFFAIRS,
REPUBLIC OF THE GAMBIA AND DR BÄRBEL KOFLER, PARLIAMENTARY STATE SECRETARY
TO THE FEDERAL MINISTER FOR ECONOMIC COOPERATION AND DEVELOPMENT,
GERMANY (CO-CHAIRS OF THE INSURESILIENCE HIGH-LEVEL CONSULTATIVE GROUP)
SHARE THEIR VIEWS ON THE JOINT G7-V20 FINANCIAL PROTECTION INITIATIVE.

The Co-Chairs' Perspectives on the Global Shield against Climate Risks

What is new about the Global Shield compared to existing approaches to managing climate risks?

Parliamentary State Secretary Dr Bärbel Kofler: The Global Shield marks a transformative change in the way we cooperate on scaling up financial protection against climate risks. Together with the V20, we are setting up a more systematic, coherent and sustained approach. Existing activities are assembled under one roof so as to overcome fragmentation and make them more effective and accessible for vulnerable countries. We are seeking to install a demand-driven, participative and inclusive in-country dialogue process, with vulnerable countries firmly in the lead in choosing the proper instruments and solutions with which to implement climate risk finance solutions.

With the Global Shield we are also aiming to unlock more funding to strengthen the financial resilience of vulnerable people and countries. Following the approval of the Global Shield concept by the InsuResilience High-Level Consultative Group, the Global Shield is launched at COP27 with strong political support from G7 and V20 countries to get this important endeavour off the ground and endow it with the necessary resources.

Concerning the situation in The Gambia, how are you affected by climate and disaster risks and how are you currently managing these risks financially?

H.E. Minister Seedy Keita: The Gambia is already experiencing severe impacts of climate change, while being the least responsible for it. Changing rainfall patterns have increased drought- and flood risks for our country's rain-fed agriculture, resulting in lower crop yields or crop failure. This July, The Gambia experienced widespread flooding, affecting an estimated 17,201 people from 1,961 households. Climate change induced sea-level



**Parliamentary
State Secretary Dr Bärbel Kofler**
Germany

rise and coastal erosion are equally concerning. As a primarily low-lying country, a meter rise in sea level could potentially inundate over 8 percent of the country's land area, including 20 percent of current lowland rice growing area. To ensure food security and protect livelihoods, the Government has implemented measures to reduce and manage these impacts – e.g. insuring against drought. Yet, due to fiscal pressures and growing debt burdens as a result of the pandemic and accelerating climate-fuelled risk, the cost of capital, financing insurance premiums and building market opportunities for protection measures proves increasingly difficult.

What would you expect from the Global Shield for your country?

H.E. Minister Seedy Keita: To support the management of climate and disaster risks in The Gambia, service providers supported by the G7 and others under the Global Shield need

to pay attention to smaller markets and least developed countries. We are looking forward to the Global Shield to improve coordination in the Global Climate and Disaster Risk Finance and Insurance (CDRFI) architecture and increase efficiency and value for money of existing products. We also hope to see an additional roll-out of new financial protection products covering a broader range of risks, even in smaller markets and for slow onset risks. In this regard, subsidizing insurance premiums and supporting early-stage market building are an avenue for the Global Shield to make a difference for us. Ultimately, by delivering reliable, pre-arranged financial protection, the Global Shield can contribute to our green economic development, climate prosperity and build resilience against climate and disaster risks.



H.E. Minister Seedy Keita,
Ministry of Finance and Economic Affairs
Republic of The Gambia

Why is Germany putting financial protection against climate risks for vulnerable people and countries high on the international agenda? Is there a connection to the debate on Loss & Damage from climate change?

Parliamentary State Secretary Dr Bärbel Kofler: As climate-related disasters increase in frequency and intensity there is a growing urgency to protect those most affected by climate change. Germany and the other G7 partners recognise the urgent need for scaling up action and support to avert, minimise and address loss and damage particularly in vulnerable developing countries. In close cooperation with the V20 we are working towards a Global Shield against Climate Risks that will offer concrete and timely support for financial protection. Our ambition is to start implementation in 2023.

Greater pre-arranged financial protection through the Global Shield can contribute to minimising and addressing the economic costs and damages associated with extreme weather events more

effectively and cost-efficiently. The Global Shield can thus be part of the greater solution to deal with climate-related losses and damages. Germany also wants, through this effort, to build bridges between industrialised and vulnerable countries at the international climate negotiations.

What does the Global Shield need to take into account from the perspective of the V20?

H.E. Minister Seedy Keita: Recent research has shown that climate change eliminated a fifth of the V20 Group's wealth in less than two decades. Additionally, it revealed that the current and projected resource shortfalls and access for vulnerable countries has translated to a lack of adaptation and risk financing to prevent loss and damage at current levels, as well as falling short to offset the growth in economic losses and damages that will be generated as temperatures continue to rise and the frequency of extreme weather events increase in the future. As V20-Co Chair, I am looking forward to the Global Shield to make major advancements towards closing the financial protection gap in vulnerable countries through pre-arranged finance, better coordination and collaboration among donors, multilateral institutions, the private sector and philanthropies. I further recognize that the V20 call for an Implementation Plan on the doubling of adaptation finance that can complement efforts of the Global Shield. We look forward to the in-country dialogues in the pathfinder countries under the Global Shield to jointly develop solutions aligning with our V20 Climate Prosperity Plans, which represent investment strategies to support maximum ambition climate action to protect and grow V20 and further vulnerable economies while enhancing socio-economic outcomes.

How will you measure the success of the Global Shield?

Parliamentary State Secretary Dr Bärbel Kofler: Forging an even stronger partnership with the V20 is an important success factor for the Global Shield. We are building on the firm foundation laid by the InsuResilience Global Partnership. The Global Shield will provide additional momentum and accelerate efforts to close the protection gap in vulnerable countries, contributing to the InsuResilience Vision 2025.

Yet with the need for financial protection against climate risks growing rapidly, and continuing to grow even if we manage to stay within the Paris Agreement's temperature limit of 1.5°, our ambition cannot stop in 2025. The Global Shield thus aims at creating an international climate risk finance architecture which will deliver financial protection in the long run and which will expand in line with increasing climate risks and resulting protection needs.

At the same time, specific country needs will be analysed and consulted in in-country dialogues, starting with the pathfinder countries and continuing with the successive roll-out of comprehensive country packages.



IN 2022, A DETAILED CONCEPT FOR THE GLOBAL SHIELD WAS DEVELOPED THROUGH A COLLECTIVE EFFORT WITHIN THE INSURESILIENCE GLOBAL PARTNERSHIP (IGP) UNDER JOINT V20 AND G7 LEADERSHIP. BUT WHAT EXACTLY IS THE GLOBAL SHIELD AND HOW WILL IT CONTRIBUTE TO ADVANCING DEVELOPMENT AND BUILDING RESILIENCE IN VULNERABLE COUNTRIES?

The Global Shield against Climate Risks

BY: DANIEL STADTMÜLLER, SENIOR POLICY ADVISOR AT THE INSURESILIENCE SECRETARIAT

Why we need to do more and better Climate and Disaster Risk Finance and Insurance

The international community has made notable progress over the past years in prearranging finance for disaster response and increasing access to financial protection for poor and vulnerable people. 24 programmes are operational under the umbrella of the InsuResilience Global Partnership (IGP), with over 300 projects in more than 100 countries protecting over 150 million people against climate and disaster risk in 2021 alone.

A variety of different financial instruments has emerged, drawing on innovations in financial engineering, risk data and modelling, forecasting technology and early warning systems. And we continue to see increasing political will to invest in ex-ante financial preparedness, along with growing awareness around the increased cost and impact of disasters if funding is only arranged ex-post. Under the joint political leadership of the V20 and the G20+, the IGP has put Climate and Disaster Risk Finance and Insurance (CDRFI) on the international climate agenda and raised ambitions, paving the way for greater efforts at the country level.

But the financial protection gap remains vast and it is likely to grow under a business-as-usual scenario. Insurance penetration is still well below 5% in many developing countries, leaving large sections of the population and the economy hugely vulnerable to climate impacts. Governments are forced to allocate significant proportions of their public budgets to cover climate-related losses and damages. This in turn diminishes the already scarce resources intended for development strategies in education, public health, energy supply, job creation and nutrition. The World Food Programme estimates that in 2022 as many as 345 million people globally will become acutely food insecure or will be at high risk, marking a new record level.² Multiple intertwined crises – conflicts, the Covid-19 pandemic, the loss of biodiversity, climate change and economic uncertainty due to the ongoing war in Ukraine are increasing this existential challenge.

² WFP Global Operational Response Plan: Update #5 – June 2022 | World Food Programme. Available [here](#)



All of this makes scaling up financial protection even more important. A variety of different programmes has been established to deliver CDRFI at sovereign, business and household levels but fragmentation among institutions and programmes at the country level remains high. Furthermore, countries still perceive a lack of guidance and transparency around the various programmes and the types of support offered, and more funding needs to be mobilized to make CDRFI sustainably affordable and accessible.

In October 2021, the InsuResilience High-Level Consultative Group (HLCG) kickstarted a discussion on how to improve the global CDRFI architecture.

At its Leaders' Summit in June 2022, the G7 under Germany's presidency harnessed the rich perspectives shared by HLCG members and drew on the existing evidence base to recognize the urgent need for scaling-up action and support in order to contribute to global efforts for averting, minimizing and addressing losses and damages exacerbated by climate change.

The G7 committed to work towards a Global Shield against Climate Risks in partnership with the V20. This commitment echoes the most vulnerable countries during the climate change negotiations, which have been demanding further action and support to deal with losses and damages.

A more coherent, systematic and sustained global approach to financial protection

The objective of the Global Shield is to provide more and better prearranged finance against disasters and thereby enhance financial protection for poor and vulnerable people. This will be achieved by applying evidence-based, systematic analyses of countries' protection gaps to design, fund and facilitate integrated packages of CDRFI to address these gaps. The interventions will build on national ownership and coherent in-country coordination among stakeholders.

Instead of creating new structures from the ground up, the Global Shield will build on existing programmes and platforms under the IGP and enhance them to make financial protection more systematic, coherent and sustained. It will do so through the following key elements:

- › Increased **financial protection cooperation across G7, V20, and other vulnerable economies** to drive urgent resources to help close the (financial) protection gap.
- › A **strengthened global coordination mechanism building on the InsuResilience Program Alliance** to overcome fragmentation and ensure coherence at the global, regional and national level. Designed in partnership with vulnerable countries, the Global Shield Coordination Hub will develop common principles and standards, support coordination of activities in countries, create a pipeline of projects and offer quality assurance and advisory services to countries as they identify crucial needs and priority interventions.
- › A **global, flexible and collaborative financing structure** to attract additional donor funds and pool them, mobilize the full potential of CDRFI across the institutional landscape and enable a more systematic global approach to closing protection gaps. The financing structure will consist of the **Global Shield Financing Facility** hosted by the World Bank, the **Global Shield Solutions Platform** building on the InsuResilience Solutions Fund and the **Climate Vulnerable Forum (CVF) & V20 Joint Multi-Donor Fund**.
- › **Sustained protection** by offering and increasing financial support to address affordability barriers, including through scaling up of **smart premium and capital support**, with a focus on protecting the poorest and most vulnerable people.



Political guidance and oversight for the Global Shield will be provided by the existing InsuResilience **HLCG**. One of the functions of the HLCG will be to approve country selection along with common principles and standards, and to promote further contributions to the Global Shield Financing Structure and its three financing vehicles.

Needs-based, comprehensive support for countries

Country ownership and needs are at the heart of the Global Shield. An in-country dialogue will help to streamline existing CDRFI initiatives and analyse crucial gaps in protection. Together with technical support from the Global Shield, this will enable the country to formulate a request for support to the Financing Structure.

The Financing Structure will provide funding to deliver the “best fit” solution, mobilizing the resources and services of public and private actors. Depending on the gaps identified, it may facilitate instruments designed to provide rapid financial assistance directly to households and businesses after disasters, or instruments which prearrange finance for governments, humanitarian agencies and non-governmental organizations for disaster preparedness and rapid response. This will also entail building shock-responsive social-protection systems and other delivery systems to ensure that support reaches those most in need rapidly and effectively.

The Global Shield will facilitate different types of support to help countries access the necessary instruments sustainably, while taking into account the country’s readiness for these instruments.

Technical assistance will be available to support policy reforms, CDRFI strategies, strengthened regulatory frameworks and capacity building. Financial assistance will be available to build in-country systems, capitalize risk carriers, and co-finance insurance premiums.

Furthermore, the risk industry will be leveraged to deliver risk analytics, design products and triggers, and underwrite risk transfer solutions.

Over the coming months, the InsuResilience Secretariat is committed to support partners in bringing the elements of the Global Shield to life and facilitating an agile approach in countries aimed at delivering demand-driven CDRFI, taking different country contexts into account. We will continue to gather relevant experiences across the IGP, ensuring the Global Shield can benefit from the learning-by-doing dividend, and promoting inclusivity, transparency and accountability.

The Global Shield against Climate Risks: From Ambition to Reality

BY: MICHEL LIÈS, CHAIR OF THE INSURANCE DEVELOPMENT FORUM (IDF)

We can now begin to digest the implications of surviving the global pandemic. However, the clock is ticking on a much larger existential threat to our way of life. The ever-changing climate has more implications across all spheres of our cherished existence and its implications will be felt for generations to come if we fail to act now. Drawing parallels with the pandemic, the scale and urgency for communities, governments and all levels of society – including the private sector – to come together and tackle this challenge is of the utmost importance. The fact is that no country or locality will be immune from the physical and economic consequences. The well-timed and globally orchestrated Global Shield against Climate Risks represents one of the key ingredients in this battle.

The entry of the Global Shield, championed by the German Government through its leadership at the G7 together with the Vulnerable Twenty (V20) Group of Ministers of Finance of the Climate Vulnerable Forum, creates much-needed impetus for the momentum generated in the private sector to support a resilient future. The Global Shield gathers together activities in the field of climate risk finance and preparedness under one roof.

Under the Global

Shield, solutions to provide financial protection will be devised that can be swiftly implemented if climate-related damages occur. The objective is to make the global architecture on Climate and Disaster Risk Finance and Insurance more systemic, coherent and sustained.

Pockets of innovation are encouraging and many initiatives have sprung up to channel action in individual areas of the globe. What is currently absent is the momentum and the pathway to scale up projects and achieve real outcomes that can dent the protection gap that stands at over USD 1.4 trillion.³ At risk of stating the obvious, the escalating frequency and severity of extreme weather-related events – from droughts in the Horn of Africa to record heat waves in Europe and floods in Pakistan – have shone a brighter spotlight on climate-related risks.

A new way of thinking and acting is required and one that brings risk management to the fore. This needs to include bringing the often-humble Insurance Industry with its risk management experience into the conversation. The emphasis on risk will drive transparency in risk ownership and build greater resilience by availing resources for planning and financing in advance of an event.

³ Swiss Re Sigma Resilience Index 2022





We have allowed Covid-19 to surprise us. We shouldn't allow other events to creep up on us again. That means we need to get much better at tracking risks and testing preparedness. Similar to the pandemic, this dilemma is too big for any country or company to tackle alone but roadmaps for action exist. They are continuously being refined and improved, with a marked acceleration over the past 12 months.

The Global Shield is strategically important for the private sector and the world. Its aims are ambitious, implementation will be challenging, and the impact could potentially be revolutionary for millions of people. Some key features need to underpin this noble-minded programme.

Communication of risk

As the name suggests, the Global Shield against Climate Risks presents an opportunity to galvanize the world and for the actors in the field of climate-risk management to coalesce under one umbrella.

It's natural for the insurance sector to pay considerable attention to the real and perceived risks and threats. Emphasis is placed on the core role of insurance as society's risk manager, in order to understand, measure and mitigate the threat before it becomes unmanageable. In addition, the industry's underwriting and advisory functions can be further leveraged to encourage positive action on climate change by influencing the behaviour of individuals, businesses and governments⁴.

Influencing behaviour starts with appropriate communication and being consistent with the messaging. The scientific community has been playing its part through the IPCC reports and various other forums. As actors in this space, the cohesion afforded by the Global Shield offers a unique platform to bring the dialogue front and centre to the decision-makers. Risk management of good and bad risk is the core of our work in insurance and our reason for being. As an industry, we need to articulate this risk more broadly and aim to formulate this through the Global Shield.

Shielding decision-makers from the vagaries of political seasons and the relatively short-term nature of the current decision-making structures, the enabling environment created by the Global Shield will yield to a decisive approach in long-term planning. The Insurance Industry is at the centre of society's understanding of physical and transition risk, and taking a long-term view. We play a role as a catalyst in providing the necessary impetus once that understanding of risk is clearly laid out and we stand ready to drive innovation in allocating capital both on underwriting and investment. The policy framework setting the stage for clear market signalling translates into innovation and competitive market forces that ultimately mobilize private finance.

⁴ Where next for sustainable insurance? Five priorities for the next decade. Available [here](#)

No more pilots. Time to scale

The “new normal” has a special place in the realm of overused phrases. However, this statement needs no embellishment when we speak of the new normal in relation to climate change. While humans have long adapted to feast or famine, when it comes to water we are underprepared for extreme events – the “mega” droughts, storms, and floods that used to occur once in a hundred or a thousand years. But in this decade alone, we witnessed the highest temperatures ever recorded. Floods displaced millions in Pakistan, and catastrophic storms such as Hurricanes Sandy and Maria are becoming more frequent. Extremes of rainfall – particularly rapid see-saw changes from dry to wet spells – severely damage crops, destroy infrastructure, and destabilize livelihoods. But this is our planet’s new normal and we must adapt to survive.

As these events become more extreme, we must develop solutions that match the problems we are facing. We must develop a greater understanding of the risks we encounter. Advancements in risk modelling will need to be scaled up to match the urgent need for deepened risk analytics capabilities worldwide. We have a perfect illustration and platform for increased risk insights through the Global Risk Modelling Alliance (GRMA). The public and private sectors came together in the GRMA to form a powerful engine responding to the needs expressed by the V20 countries to freely share Risk Understanding and Risk Knowledge, especially targeting the developing world, highlighting the ownership and root of knowledge emanating from the source. The GRMA needs to grow and expand in line with the ambitions of the Global Shield. Insurers have a long track record of helping customers to mitigate risk. Greater risk understanding will enable countries and societies to access information on how to manage risk better and build resilience. This is needed now more than ever before. Uniting both the open access to data with private-sector expertise and local knowledge, we have the opportunity to unleash powerful synergies that can yield real impact for those most affected.

Once we have the right models in place and the risk engineers to correctly assess and configure the risk, the obvious next step is the action we need to take in relation to these risks. It must be stressed that these drought, flood and cyclone risks are already being ‘paid’ for in a very inhumane and inefficient way.

In simple terms, we need solutions that have long been at the fingertips of the private sector and they should be unleashed universally for the benefit of society as it battles this one-in-a-generation challenge. To this end, the ongoing work undertaken by the Working Groups of the Insurance Development Forum (IDF)⁵ needs to be the focus of attention in order to offer potential roadmaps for the future. For example, IDF’s Sovereign and Humanitarian Working Group is gaining momentum across the Sovereign States and bringing insurance solutions, including

⁵ The IDF is a public/private partnership led by the insurance industry and supported by international organizations. Further information [here](#)



parametric solutions, to countries and communities. The distinctiveness of the Tripartite Agreement⁶ is not inherent in the products but in the ability to bring together both the public and private sectors through the Insurance Industry, the United Nations and Sovereign States in implementing live programmes. The Tripartite Agreement aims to reach over twenty countries with solutions by 2025 with the support of the German Government. We need to double this ambition as a minimum. In addition, the IDF's Inclusive Insurance Working Group is contributing to build inclusive insurance markets targeting the underinsured and under-protected. Bringing the United Nations agencies, the private sector and sovereign actors together at the table, empowers these partnerships to build powerful coalitions that have the necessary capacity to tackle the complex problems we are confronted with.

These are only a few examples of many initiatives being championed worldwide, with the industry taking a proactive lead, thinking bolder and bigger, and daring to be less humble about the skills and expertise that the actors in the industry bring to the table for the benefit of communities and sovereign states.

The Global Shield offers an opportunity to implement a decisive and pragmatic step towards protecting the most vulnerable and at a scale never seen before, supported by the private sector through the insurance community.



Forward-looking

In lauding the ambition of the Global Shield, we need to view the situation through a pragmatic prism because climate-related catastrophes are increasing in number and severity. While efforts to mitigate the impact of climate change continue, many of its effects are already inevitable. Society must adapt to address the financial and human costs of these events. This requires improving our ability to model and predict catastrophe risk, to make the right decisions about pre-risk measures and risk preparedness, and to re-double our disaster reduction measures.

For this to become a reality, we need a paradigm shift to a new architecture for the response system. The current system has been severely tested in various events and has demonstrated a lack of speed and flexibility to meet future challenges. This commitment requires a shift from the present passive awareness of risk to a proactive risk management stance.

The global funding response to Covid-19 has been substantial, USD 125 billion, 64 % of which was disbursed in the first year of the crisis⁷. However, the scale of the situation means that although this amount is sizeable it is unlikely to come even close to meeting needs and additional funds are required. The Global Shield offers financial firepower but more money alone will not solve the problem. We also need a different approach to financing – one that involves more financial preparedness and planning before a crisis occurs. In the absence of this, the piecemeal singular country approach results in highly inequitable outcomes.

From natural catastrophes to global pandemics, risk management shortcomings have been frequently highlighted in recent years. The consequences have been devastating: lives lost or damaged, property destroyed, claims totalling billions of dollars and an increasingly polarized world created through rising uncertainty and insecurity. What we don't often hear about is risk management success. The Global Shield might well offer an avenue to highlight success. In turning the Global Shield from an ambition to reality, we need to give a deserved chance to our conviction that we can make a difference with our efforts to achieve our shared vision of protecting the most vulnerable in our society and building resilience.

⁶ Further information on the Tripartite Agreement, a partnership between the German government, the United Nations Development Programme and the IDF. Available [here](#).

⁷ Yang, Y., Patel, D., Hill, R. V., and Plichta, M. (2021) 'Funding Covid-19 Response: Tracking Global Humanitarian and Development Funding to meet Crisis Needs', Working paper 5, Centre for Disaster Protection, London

UNDER THE GLOBAL SHIELD AGAINST CLIMATE RISKS, AN INCLUSIVE, COUNTRY-OWNED AND RISK-INFORMED IN-COUNTRY PROCESS IS THE STARTING POINT FOR NEEDS-BASED FINANCIAL PROTECTION.



From In-country Process to CDRFI Package

BY: THEODORE TALBOT (CENTRE FOR DISASTER PROTECTION),
KAY TUSCHEN, DANIEL STADTMÜLLER (INSURESILIENCE SECRETARIAT)

This is an indicative case study based on the concept of the Global Shield. Detailed in-country processes under the Global Shield are still under development and therefore subject to further changes and adjustments.

After heavy monsoon rains, Pakistan is suffering from flooding that has killed thousands and will affect millions. By washing away crops and leaving arable land waterlogged, the flooding will affect both lives and livelihoods – an indication of both the scale of damage climate change is causing, and confirmation, yet again, that the poorest will suffer its worst consequences.

The scale of flooding is tragic but not a fluke. Statistical analysis based on disaster risk models shows that a flood this severe would be expected to occur on average once every 100 years and cost 7 % of GDP.⁸ That is in line with estimates of the cost of recovery, now roughly 10 % of pre-disaster national income. (This measure of frequency can be deceiving: a 1 in a hundred risk may happen more than once every hundred years; over the course of 70 years, there is about a 50 % chance of observing a 1 in a hundred risk).

To protect economies and defend the poor, we must confront risks that countries face and help build the tools that provide critical funding when those risks materialize. Doing this well requires a transparent and open discussion within governments of climate-affected countries and between governments and citizens about what must be protected and how best to ensure that protection.

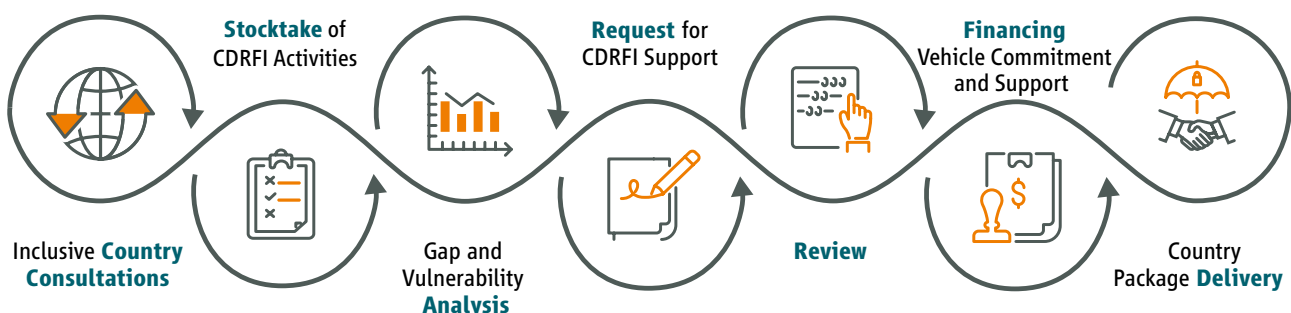
That is why coordinated, in-country dialogue is at the heart of the Global Shield against Climate Risks. The specific features of this process are still being developed. This piece shares a high-level overview of what it aims to achieve and how it can help ensure meaningful country-ownership.

Country dialogues will ultimately identify comprehensive packages of financial protection with a clear focus on protecting poor and vulnerable people. This locally led process will streamline in-country conversations and help governments and local actors understand major risks, vulnerabilities, and gaps in financial protection. These discussions, in turn, form the basis for a needs-based specification, called the request for CDRFI support, to the Global Shield Financing Structure.

How will countries combine discussion, data, and evidence to build this request?

To deliver systematic, coherent, and sustained financial protection for poor and vulnerable people, the Global Shield will soon begin working with a number of pathfinder countries. Locally, an in-country dialogue will be established, led by an in-country coordinator, nominated and mandated by the country itself. Globally, the Global Shield Coordination Hub is a coordination mechanism comprised

⁸ Pakistan, Fiscal Disaster Risk Assessment – Options for Consideration



of implementation partners, the V20 represented through its Secretariat, and donors. The Hub will support the relevant country in mandating the in-country coordinator and rolling out an efficient, context-specific process. Once appointed, the in-country coordinator will facilitate the process, convening relevant stakeholders including government representatives, civil society and humanitarian agencies, research institutions, private-sector organisations, bilateral and multilateral development actors and regional & multilateral development banks.

Based on inclusive in-country consultations, the first step of the process is to take stock of existing CDRFI efforts, answering the question of what kinds of protection are already in place for which types of risk. This will include existing mechanisms of financial protection and projects about to be implemented. Building on this, the Global Shield will provide risk analytics and other often-scarce technical skills to undertake a gap analysis, quantifying the gaps in protection. This process will inform decision-making at the country level on CDRFI interventions and instruments of highest priority. It will also provide important information for national and sub-national prevention, preparedness, and adaptation planning, making sure CDRFI is aligned with and ultimately serves broader development, disaster risk reduction and climate policy. The analyses will additionally examine and help national and sub-national governments to address vulnerability drivers such as gender, age, disability, and legal status.

The stocktake and gap analysis will help in-country stakeholders (led by the national government) identify the type(s) of support needed. This might include setting up new instruments (like

buying new coverage from a regional risk pool), improving existing instruments (like increasing the number of poor households covered by safety nets that respond to shocks like drought or flood), and fostering long-term in-country capacities for sustained financial protection (like building models and data to help bolster the local market for private insurance solutions). The in-country coordinator will assist with putting forward a request for CDRFI support to the Global Shield Financing Structure. The Technical Advisory Group under the Global Shield Coordination Hub will pool impartial global and local CDRFI expertise to review the request for CDRFI support and provide transparent quality assurance.

The Global Shield Financing Structure will deliver financing through three vehicles: the Global Shield Financing Facility (GSFF), the Global Shield Solutions Platform (GSSP), and the CVP & V20 Joint Multi-Donor Fund (V20 JMDF).⁹ The Financing structure gives countries access to a wide spectrum of services, capabilities, and capital, by channelling funds to deliver the “best fit” solution and commissioning services to implementing partners such as the private sector, NGOs or humanitarian agencies. Depending on the type of support and interventions requested, either one or a combination of the vehicles will mobilise technical and financial support for the country.

The following two scenarios illustrate the process and shed light on the flexibility and potential of the Global Shield’s support. Some countries are well positioned to request implementation or scale-up of a specific instrument while others may first request broader programmatic support to facilitate implementation of instruments at a later stage.

TWO COUNTRY EXAMPLES ILLUSTRATE THE GLOBAL SHIELD’S PACKAGE DEVELOPMENT PROCESS

CONTEXT

Country A is a larger low-middle income country located in Sub-Saharan Africa. More than 15 % of the population would be counted as poor.¹⁰ The country is mainly impacted by droughts and floods and its natural-hazard rating according to INFORM¹¹ is moderate to medium (3.8 out of 10). The public infrastructure is highly vulnerable to floods. The country has already gained some early-stage experience with CDRFI solutions on different levels.

Country B is a middle-income Small Island Developing State (SIDS). The poverty headcount ratio is comparatively low at around 5 %. However, the economy is under high pressure due to recurring tropical cyclones and earthquakes. The INFORM score is medium to high (5.4 out of 10). Due to longstanding membership in the regional risk pool, the country has gained some experience on sovereign CDRFI.

STOCKTAKE

The stocktake with all local and international actors reveals that Country A has a Disaster Risk Management (DRM) framework in place and is also a member of a regional sovereign risk pool. It purchases a sovereign insurance policy against drought but no policy against flood. Business owners are obliged to have flood insurance for their buildings while smallholder farmers can buy policies from the national agricultural insurance scheme. At the household level, insurance penetration is low at around 10 %. In particular, the poorest households are without any protection and cannot afford insurance.

Consultations with various stakeholders show that there are existing solutions across all three levels (macro, meso and micro). On the macro-level, the government has regularly bought insurance coverage from the risk pool. The respective institutional framework is in place and functional. On both the MSME and household level, there is significant insurance coverage and good access to risk transfer tools on the local market. Furthermore, the government is responsible for delivering disaster response in conjunction with humanitarian agencies.



⁹ For further information on the financing vehicles, please see the [concept of the Global Shield against Climate Risks](#).

¹⁰ Based on the World Bank Definition of Poor as individuals living on less than USD 3.10 PPP per day.

¹¹ INFORM is a multi-stakeholder forum for developing shared, quantitative analysis relevant to humanitarian crises and disasters.

GAP AND VULNERABILITY ANALYSIS

One of the gaps at the sovereign level is insurance for public infrastructure against floods. The domestic insurance market is underdeveloped, even though the willingness to pay for insurance among MSMEs is high. Moreover, take-up of agricultural insurance remains low. Low-income people are heavily affected through the gaps on all three levels.

Despite the existing insurance coverage under the sovereign risk pool, there is still significant uncovered exposure to severe shocks for the country's macro-fiscal position. Both MSMEs and households have access to affordable financial protection but are exposed to economic contraction due to the vulnerability of the government's budget to extreme events and the resulting constraints in delivering early and reliable disaster response.



COUNTRY PACKAGE

Three priorities are identified for the Global Shield support, based on maximum value for money and impact on the protection gap:

- Access to **sovereign-level flood insurance for public infrastructure**: GSSP to finance product development with risk pool
- **Access to data to enhance commercial insurance market**: GSSP to mobilise Global Risk Modelling Alliance to develop open-source risk model
- **Shock-responsive safety net** to address food insecurity among poor population: GSFF to finance through World Bank project.

A single priority intervention is identified and requested from the Global Shield:

- Protection against severe shocks needs to be enhanced by increasing **coverage from the regional risk pool**.
- This can be achieved through provision of **premium support for additional risk products purchased from the risk pool** combined with technical assistance, which is facilitated by the CVF & V20 Joint Multi-Donor Fund.
- The government commits to **sustainably co-finance** premiums over a period of three to five years with the funds provided.



Country A

■ Active protection identified by stocktake ■ Missing protection identified from gap analysis
■ Protection gaps and investment opportunities prioritized through independent advisory to country-led process

Average annual loss¹²

Sovereign	Natural disaster management organization & government budget line	
Businesses & households	Compulsory flood insurance	
Poorest households	National agricultural insurance scheme	

Average annual loss

Sovereign	Natural disaster management organization & government budget line	Insurance for public infrastructure
Businesses & households	Compulsory flood insurance	Data and models to catalyse local market
Poorest households	National agricultural insurance scheme	Enhanced safety net for severe losses

Country B

Average annual loss

Sovereign	Longstanding purchaser of insurance for main risks from regional risk pool.	
Businesses & households	Significant insurance coverage through local market, backstopped by government	
Poorest Households	Effective automatic stabilizer programs and countercyclical transfer tools in place.	

Average annual loss

Sovereign	Longstanding purchaser of insurance for main risks from regional risk pool.	Premium support for additional coverage
Businesses & households	Significant insurance coverage through local market, backstopped by government	Co-benefits from sovereign coverage
Poorest Households	Effective automatic stabilizer programs and countercyclical transfer tools in place.	

¹² Average annual loss refers to economic loss and is used illustratively. Needs could be based on economic losses or other dimensions, such as people affected.

The InsuResilience Centre of Excellence on Gender-Smart Solutions – a Unique Platform in the CDRFI-space

The [InsuResilience Centre of Excellence on Gender-smart Solutions](#) (CoE) is the first platform to provide a global community of policymakers and practitioners with guidance, opportunities, knowledge, and evidence for the integration of gender into Climate and Disaster Risk Finance and Insurance (CDRFI).

Although often seen as a niche issue, a shift to gender-responsive climate risk and disaster finance strategies is a must for effective and efficient adaptation to climate change. Barriers to cope with climate change impacts exist particularly for women and girls due to discriminatory norms, unequal access to finance and property rights, lower literacy levels and childcare and household duties. At the same time, women are leaders in community-based disaster responses by addressing the immediate needs of their families and thereby contributing to strengthening community resilience. Thus, to ensure equality and effectiveness of disaster risk reduction, the potential of gender-just climate change adaptation needs to be unlocked.

The InsuResilience Global Partnership established the InsuResilience CoE for this specific purpose. It is financed jointly by Global Affairs Canada and the German Federal Ministry for Economic Cooperation and Development (BMZ). The mandate of the CoE is based on the InsuResilience [Declaration on Gender](#) that consolidates voluntary efforts by members of the Partnership to integrate gender-smart solutions into CDRFI.

The CoE convenes a community of key stakeholders from grassroots to policy level driving gender integration forward. The platform provides information and guidance through international collaboration, awareness-raising events, knowledge sharing and capacity building such as scholarships for high-potential women leaders and tailored advisory support for CDRFI programmes. This includes guidance on including women in decision-making processes, ensuring equal participation in solutions, and designing gender-responsive Monitoring & Evaluation.

Find out more about the [CoE](#)



THE COE TECHNICAL ADVISORY FACILITY – A COST-FREE SERVICE PROVIDING GENDER-RESPONSIVE SUPPORT

The CoE launched its Technical Advisory Facility in August 2022, offering free practical, tailored guidance to organizations on how to design their projects and activities more gender-responsively.

The first call for applications relating to the Technical Advisory Facility's pilot cycle on Gender and Monitoring & Evaluation generated strong interest within the broader CDRFI community, with applications from organizations around the world. In light of the successful take-up, the CoE has announced an expansion of its offer of advisory services in 2023 to allow more organizations to participate, incorporating two additional cycles with different thematic focuses. Work has already begun with the first three organizations in October. A second call for applications is envisioned for spring 2023.

Calls for applications for gender-responsive support are announced on the [COE WEBSITE](#) and Twitter channel [@IGPGENDER](#).

THE COE EXPERT DIRECTORY

FIND YOUR GENDER & CDRFI EXPERT!

Gender in CDRFI is still a niche topic, so finding the right experts for your project can be challenging. In our new Expert Directory, you will find a growing number of experts who can advise you on gender-responsiveness for your programme, speak at your events or conduct research.

If you are a gender and CDRFI expert yourself, you can create a profile [HERE](#) and offer your expertise to others.



UNDERSTANDING POVERTY- AND GENDER-RELATED BARRIERS TO ACCESSING CDRFI SOLUTIONS

Interview with Vartika Shukla

Vartika Shukla is a development consultant and researcher with 13 years of experience in economic empowerment, gender finance, and financial inclusion. She has worked with banks, microfinance institutions, NGOs, donor agencies, and many more in different countries in Asia and Africa. In the summer of 2022, she conducted the analytical study that will be published soon in the [CoE Knowledge & Evidence Section](#)



The CoE recently commissioned an analytical study on barriers to accessing CDRFI solutions on the example of urban settlements in India. What was the aim of this research?

Financial inclusion, urban poverty, gender and climate finance are very closely interlinked. Yet there are hardly any knowledge products on this niche topic. The heart of this research was focused on the burgeoning problems of the poorest and most vulnerable people who are increasingly confronted by the impacts of climate change such as floods and heat waves, while simultaneously dealing with the pressures of rapid urbanisation. In addition, there is a lack of support for them through climate risk finance and insurance solutions and there are specific barriers to women accessing these solutions.

Financial service providers often make the mistake of designing products for people living in poverty by using templated approaches deployed for other customers and simply reducing the fees. However, this does not work in the reality of the market and it is particularly inappropriate for women since most data underpinning solutions is based on data from male beneficiaries. Seeing that men and women are affected differently by climate and disaster risk, there is also a need for additional solutions. Furthermore, CDRFI solutions are often designed for rural areas and fail to embrace the urban context. The analytical paper addresses this knowledge gap.

Why was it important to do this field study and talk directly to female beneficiaries?

Public and private financial service providers look at the urban poor from their perspective and try their best to include the needs of poor people. But when we sit in our offices, we tend to intellectualize a lot of problems and fail to understand the real demand. Instead of designing solutions for the urban poor, we need to actually talk to the people themselves so as to better understand their needs and design solutions together with them. We need to better observe and listen, and ultimately include their perspectives.

By talking to the grassroots organization Mahila Housing SEWA Trust, along with credit cooperatives, development agencies, and beneficiaries, we tried to include the demand and supply side from beneficiaries to providers and people in between who work with them, know the problems, the region, and can mediate. Based on these interviews, we received information about the perceived climate risk of beneficiaries and explored approaches for solutions and recommendations.

What surprised you in your conversations?

What surprised me most was seeing the massive mismatch between the expertise in household management and the gender-influenced roles and responsibilities. For example, while men are away working for most of the day, they often don't see the struggle by their households to combat heat or flooding without access to money. Yet most of the time, men are the only family members with property rights and access to basic bank accounts and financial services. While the clean-up after disasters most often falls on women, men fail to realize the tremendous amount of work involved and the discomfort experienced. But they are the ones who have more power of decision-making over finances and welfare money. This showed me how much we need awareness campaigns in order to strengthen people's risk perception and create gender-just risk management.

How can this research contribute to improving the situation of the most vulnerable?

My hope is to create awareness about the importance of mainstreaming gender into CDRFI. While the focus is currently on simple credit products, we are starting to understand that more customized solutions are needed, for example, with greater flexibility for payments. However, many such solutions still need to be developed.

On the beneficiaries' side, we can take advantage of digitalization to deliver education about insurance. People are always looking to receive payouts from insurance policies. But depending on the rules of the policy, these payouts sometimes fail to materialize – so awareness and transparency on how insurance products work is absolutely key.

In addition, traditional solutions that have been abandoned could also be brought back, such as green roofing with plants or husk bunches to cool dwellings down. This is just one example that is cheap and easy to finance. But to learn about these solutions, we need to talk to the beneficiaries, involve their knowledge and apply a co-creative approach.

Follow [@IGPGENDER](#) on Twitter for the release of the study and visit the [CENTRE OF EXCELLENCE KNOWLEDGE & EVIDENCE SECTION](#) for this and more studies on gender and CDRFI.

Latest InsuResilience Case Studies

DISCOVER THE STATE-OF-THE-ART APPROACHES AND LATEST DEVELOPMENTS ROLLED OUT BY THE MEMBERS OF THE INSURESILIENCE GLOBAL PARTNERSHIP



KENYA: PROMOTING RESILIENCE AND FOOD SECURITY THROUGH RISK-CONTINGENT CREDIT IN AFRICA

Over the last couple of decades, Kenya has experienced an increase in famine frequency, rising from one famine between the 1960s and 1980s, to a famine almost every year since the mid-2000s. This is due the current state of climate emergency with impacts such as a sustained decline in precipitation levels, increase in intensity of storms, and the expansion of arid and semi-arid lands, all of which have contributed to a drop in rain-fed agriculture potential in the country. In light of this, the International Food Policy Research Institute (IFPRI) has joined forces with partner organizations to launch a pilot programme for a Risk-Contingent Credit (RCC) solution in order to address the exponential rise in climate risks and support resilience building among smallholder farmers in Kenya. RCC is a linked financial product that embeds insurance protection through loan coverage and the reduction of collateral during droughts. ➔ [Full case study](#)

DERISKING COFFEE IN VIETNAM: APPLYING SEASONAL CLIMATE FORECASTING AND INNOVATIVE INSURANCE SOLUTIONS TO CLIMATE RISK MANAGEMENT IN THE AGRICULTURE SECTOR IN SOUTHEAST ASIA

While the Central Highlands in Vietnam are the largest production hub for coffee in the country and the largest Robusta coffee producer in the world, the region remains the second poorest region in the country. This makes it even more difficult for local smallholder farmers to build resilience against the increasing impacts of climate change. With the aim of reducing their vulnerability, the Alliance of

Biodiversity International and International Center for Tropical

Agriculture (CIAT) together with partner organizations is piloting a Coffee Climate Protection Insurance (CCPI) scheme to enhance the capacity of smallholders and agribusinesses to cope with climate variability and change. The scheme incorporates the use of forecasts into agro-advisories, and an integrated index insurance approach for drought, excessive rainfall and temperature for coffee farmers to reduce risks and encourage good farm-management practices. ➔ [Full case study](#)



JAMAICA: INCREASING CLIMATE-RESILIENCE THROUGH FIRST-EVER SOVEREIGN CATASTROPHE BOND FOR A SMALL ISLAND IN THE CARIBBEAN

The high exposure of Jamaica to natural and climate-related disasters is posing an increased risk to the country's population as well as its macroeconomic and financial outlook. The Government of Jamaica is addressing this risk by implementing a disaster risk financing strategy that aims to improve the country's financial resilience through prearranged financing instruments including a contingency fund, contingent credit and catastrophe insurance. Supported by the World Bank, GRiF and USAID, a catastrophe bond provides the Government of Jamaica with USD 185 million in storm protection for three years until December 2023. The country's first-ever cat bond transaction complements the strategic financing instruments and reduces the country's protection gap in a cost-efficient way. ➔ [Full case study](#)



LAUNCH OF THE NEW INSURESILIENCE WEBSITE

This has been in the works for months and the launch date is finally here! We are so excited about this new and refreshed website. There couldn't be a better time to launch it than ahead of COP 27 with the official launch of the Global Shield against Climate Risks.

The website has new navigation, added features and lots of information tailored to our current and future members, along with the broader community of Climate and Disaster Risk Finance and Insurance. The focus is on every aspect of the work carried out

by the InsuResilience Global Partnership. You can find out more details about our offerings, information on governance structure, news of country projects being rolled out by our implementing partners – and much more!

The new site was designed for easier navigation and to be more user-friendly. We hope you enjoy the new browsing experience.

➔ [Make sure you visit our new website at **www.insuresilience.org**.](#)

INSURESILIENCE AT A GLANCE

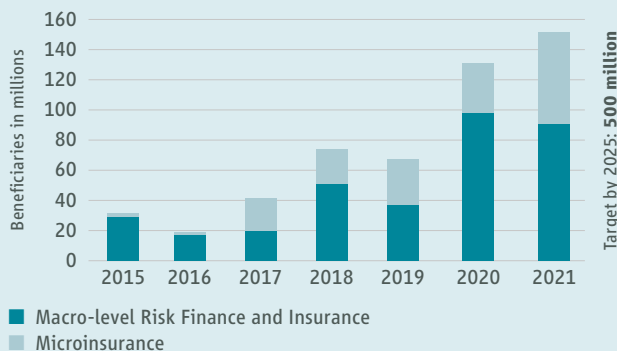
Under the InsuResilience Global Partnership, 24 programmes are active with 324 projects in 108 countries

[Click here to find out more!](#)

KEY INDICATORS UNDER THE VISION 2025 MONITORING & EVALUATION FRAMEWORK¹³

THE IMPACT ON VARIOUS RESILIENCE COMPONENTS IS CLUSTERED IN SIX RESULT AREAS

PEOPLE COVERED – DEVELOPMENT SINCE 2015



Poor and vulnerable people who benefit from a risk-financing instrument directly (e.g. microinsurance policyholders and protected households) or indirectly (i.e. number of people who could be supported in the case of a disaster through a sovereign Climate and Disaster Risk Finance Insurance (CDRFI) instrument). Beneficiaries are only considered for active and fully implemented CDRFI instruments.

47 countries COUNTRIES WITH COMPREHENSIVE DISASTER RISK FINANCE (DRF) STRATEGIES

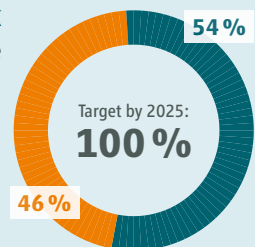
In order for a DRF strategy to be considered comprehensive, it must uphold the predefined credibility and quality criteria. The graph counts countries with DRF strategies in development.

50 countries COUNTRIES WITH MACRO-LEVEL CDRFI SOLUTIONS

50 countries already have new or enhanced (sub-)sovereign macro-level risk-financing products in place. These are (sub-)sovereign insurance policies, contingent credits, contingency funds, or other financial instruments on the sovereign level.

PROJECTS ADDRESSING BASIS RISK

Basis risk is the potential difference between the beneficiary's losses and the payouts received through a CDRFI instrument. Projects must meet at least two of the predefined criteria for high-quality basis risk monitoring.

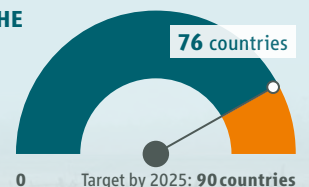


56% PARAMETRIC PRODUCTS MEETING TIMELINES OF PAYOUTS BENCHMARK

The timeliness of payouts is measured in two components; (1) the interval between the triggering event and the payout, compared to benchmarks (macro: two weeks, meso: one month, micro: two months), and (2) the interval between the payout and the receipt of funds by the ultimate beneficiaries (for macro- and meso-level schemes only), which is compared to benchmarks based on industry figures.

COUNTRIES USING CATASTROPHE RISK MODELS

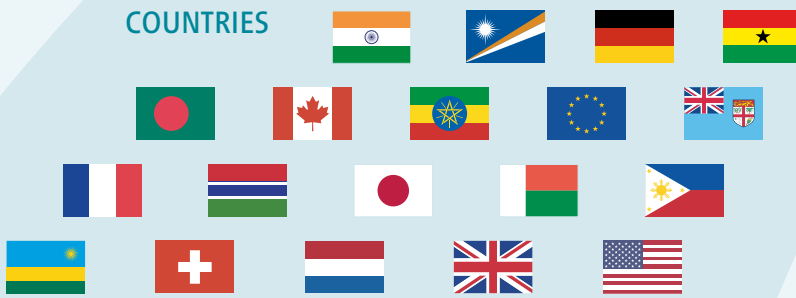
This indicator counts countries in which more than half of all CDRFI projects are applying advanced risk modelling. Additional assessments are based on the following criteria: (1) openness and transparency of the models, (2) ability to update the models locally, (3) compliance with global standards to promote interoperability, and (4) cost-effectiveness to allow for wider use and application.



Legend: Reached by 2021 (dark blue), Target by 2025 (orange)

¹³ The results are based on the data collected by the end of 2021, results from 2022 will be shared at the beginning of 2023 once new data has been collected among implementing partners.

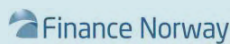
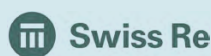
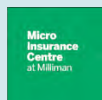
COUNTRIES



CIVIL SOCIETY ORGANIZATIONS



PRIVATE SECTOR



ACADEMIA AND THINK TANKS



IMPLEMENTING PARTNERS AND PROGRAMMES



MULTILATERAL INSTITUTIONS



INITIATIVES AND NETWORKS