

PRESS RELEASE

UN Development Programme, Germany, UK and Insurance Development Forum announce commitments to increase insurance protection in climate-exposed countries in line with the InsuResilience Vision 2025 goals

New programmes, commitments aim to accelerate implementation of risk management solutions to increase adaptation and resilience to climate risks to benefit 500 million individuals

New York, 22nd September, 2019 – The United Nations, Germany, the U.K. and the insurance industry today announced a series of coordinated commitments aimed at increasing climate change resilience for the most vulnerable countries, on the eve of the UN Secretary General’s Climate Summit.

The organizations teaming up to make these commitments in an unprecedented, coalescent drive for concrete action, are the United Nations Development Program (UNDP), the German Federal Ministry for Economic Cooperation and Development (BMZ), the U.K. Department for International Development (DfID) and the Insurance Development Forum (IDF).

The commitments will contribute risk management expertise and capital to realize the Vision 2025 of the InsuResilience Global Partnership, which rallies global players towards a substantial scale-up in the use of pre-arranged risk finance and insurance mechanisms as part of global resilience and adaptation ambitions. It includes provision of cover against disaster and climate shocks to 500 million individuals, as well as an increase in the percentage of annual climate and disaster losses covered by risk finance and insurance.

“We stand at a pivotal moment in time with climate change causing more frequent; and more severe storms, floods and droughts,” says Achim Steiner, UNDP Administrator. “Our environment, water resources and biodiversity are under assault from pollution, warming oceans, rising sea levels and ever-increasing temperatures -- insurance and risk financing are critical means to help properly tackle these issues. UNDP is committed to markedly increasing its risk financing and insurance portfolio, working across inclusive insurance, insurance investments and natural capital while mainstreaming the fundamentals of risk, and risk-financing into key development processes”.

The German Development Ministry is already providing some 450 million euros for the expansion of climate insurance and risk financing.

Dr Maria Flachsbarth, Parliamentary State Secretary to the Federal German Minister for Economic Cooperation and Development, commented, “Today, we are turning the page onto a new chapter of the InsuResilience Global Partnership through a new program with UNDP, the private sector and the Insurance Development Forum. It will benefit up to 20 particularly poor and vulnerable countries through better data and technical assistance, and through the expansion of insurance specifically for poor people. In this context, we will enhance our bilateral engagement by 20 million euros and intend to enhance cooperation with multilateral partners and, in particular, UNDP at a similar magnitude.”

UK International Development Secretary Alok Sharma said: *“Every year natural disasters force an estimated 26 million people into poverty. As the pace of a changing climate increases, the effect felt by the world’s poorest will only increase.”*

“Our increased support will make sure developing countries can better prepare for and deal with the devastation caused by extreme weather and natural catastrophes.”

Denis Duverne, Chairman of AXA and IDF, also affirmed the role of re/insurance in helping to inform resilience and better adaptation to climate change and development. He commented, *“Given the risks countries face today, our industry has a responsibility to take the lead in driving action that is needed from both the public and private sector. Our industry commits not only to the offered USD 5 billion re/insurance capacity, but to develop and share openly accessible modelling platform and ecosystem infrastructure for climate risk models and our expertise to help build up risk management capabilities in those countries that need it the most. The IDF Practical Guide to Insuring Public Assets, which we are also launching today, represents a concrete tool to help countries benefit from the capabilities our industry can contribute.”*

We hope that the concerted efforts we announce today will truly contribute to build a more resilient world.”

The details of the programmes and commitments are as follows.

UNDP and BMZ partnership to provide inclusive insurance:

UNDP and BMZ announce a joint initiative to support UNDP’s work at both global and especially country level, to drive inclusive insurance in seven countries from 2020 to 2023, with a substantial contribution.

The work combines detailed in-country work to develop and deliver inclusive insurance solutions to benefit hundreds of thousands of people in some of the most climate-vulnerable parts of the world, combined with investment in evidence, research and sponsoring innovations at the country level.

Key delivery partnerships will build upon the already existing working-groups and alliances with the members of the Insurance Development Forum, the InsuResilience Global Partnership and the International Cooperative and Mutual Insurance Federation (ICMIF).

The new UNDP, BMZ and IDF public-private partnership to provide technical assistance and risk solutions to 20 climate vulnerable countries:

A bold programme bringing together on the ground project leadership of UNDP, committed funding by the German Federal Ministry for Economic Cooperation and Development (BMZ) as well as risk-management expertise and insurance capital by the Insurance Development Forum (IDF) members.

It calls for providing technical assistance and offers up to USD 5 billion in total insurance capacity for 20 developing countries, prioritized by their vulnerability to climate risks and readiness to accelerate the integration of risk analysis and management into their development plans to increase resilience.

- **UNDP will drive Country Level Change:**
 - Implementation: Bringing UNDP's experience to bear in mainstreaming issues of risk management in the development engagement with countries.
 - Supporting regulatory and legal framework: Coordinating the development of best-practice regulation and legal frameworks to have in place to allow for better climate risk management and risk financing (significantly supported by industry).
 - This will include technical assistance to countries to integrate the analytical and climate risk modelling work, jointly between the countries and with the insurance industry, into countries' critical development processes. These include their national development plans, regional plans, Nationally Determined Contributions, National Adaptation Plans, and more.
 - UNDP will also provide project management support and actively leverage its country offices as working partners with governments in support of the programme.

- **BMZ will contribute Financing:** Acting as a strategic partner to steer the work of this initiative, together with the InsuResilience Global Partnership, and ensure alignment with the Partnerships' Vision 2025, including mobilizing the financial support to underpin the work through vehicles such as the InsuResilience Solutions Fund (ISF). This would also include co-financing, with the private sector, the technical assistance package, project management and structuring necessary for delivery of the programme by UNDP and IDF members.
- **The IDF's private industry members commit to:**
 - Deliver Climate and other Natural Hazards Risk Modelling: Implementing a public-private partnership to enable high-quality risk insight to more developing countries. Providing an openly accessible modelling platform and ecosystem for use in countries' adaptation and risk transfer decision making. Also, contributing technical expertise, standards and commissioning capability to the partnership's programme to fill critical gaps in risk model coverage, quality and understanding. Through promotion of model transparency and incorporation of local research, the outcome will be more robust and sustainable risk insight in sovereign entities and their agencies.
 - Developing Risk Transfer Solutions: Developing customized risk transfer options for sovereigns, sub-sovereigns and other public sector entities, based on the risk-modelling work.
 - Providing Financing: In line with the financial resources mobilized by BMZ, to co-fund, in kind, the technical assistance package to countries under the programme.
 - Offered Risk Capacity: And finally, as part the InsuResilience Global Partnership's work programme, the IDF's re/insurance industry members commit to offer up to USD 5bn of risk capacity for climate risk insurance for the selected countries by 2025.

The IDF has invited all its members to actively engage in this effort. The following companies have endorsed this commitment: Allianz, Aon, Axa, Munich Re, Renaissance Re, Scor, Swiss Re, Willis Towers Watson.

The U.K. Government commitment:

The UK Government announced a new contribution to the Global Risk Financing Facility (GRIF) of up to £90m (around \$110m). The GRIF has been designed to scale up rapid and reliable post-disaster finance and help countries to better plan for disasters, thereby reducing the short and long-term impacts of disasters. It is delivered by the World Bank and co-funded by Germany.

This is part of DFID's overall approach of supporting developing countries to build capacity and use the financial instruments that work best for them, and to work with them to ensure this finance is part of a wider strategy on disaster risk management that includes systems to get aid to the people that need it quickly.

With the UN Secretary General's Summit scheduled for September 23, these coordinated commitments by governments and businesses to help empower the UN to address one of the world's greatest threats – the inability to recover from the catastrophic impacts of climate change in the world's most vulnerable populations.

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About the IDF

The IDF is a public-private partnership led by the re/insurance industry and supported by international organisations. The IDF was first announced at the United Nations Conference of the Parties (COP21) Paris Climate summit in 2015 and was officially launched by leaders of the United Nations, the World Bank and the insurance industry in 2016. The IDF aims to optimise and extend the use of insurance and its related risk management capabilities to build greater resilience and protection for people, communities, businesses, and public institutions that are vulnerable to disasters and their associated economic shocks. www.insdevforum.org

Please find the *IDF Practical Guide to Insuring Public Assets* [here](#)

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About UNDP

UNDP partners with people at all levels of society to help build nations that can withstand crisis, and drive and sustain the kind of growth that improves the quality of life for everyone. On the ground in nearly 170 countries and territories, we offer global perspective and local insight to help empower lives and build resilient nations. www.undp.org

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About the German Federal Ministry for Economic Cooperation and Development (BMZ)

Freedom and security for all; a life without poverty, fear and environmental destruction – to move a little closer to this goal, that is the aim of Germany's development policy. The guiding principles of Germany's development cooperation will be protecting human rights and fostering the developing countries' sense of ownership and ability to help themselves.

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About the UK Department for International Development (DFID)

The Department for International Development (DFID) leads the UK's work to end extreme poverty. We are tackling the global challenges of our time including poverty and disease, mass migration, insecurity and conflict. Our work is building a safer, healthier, more prosperous world for people in developing countries and in the UK too.

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