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GlobalPartnership

Co-Chairs' conclusions on the 5th meeting of the InsuResilience High-Level Consultative Group

The InsuResilience High-Level Consultative Group convened on 27 October 2021 (CEST) / 28 October 2021 (Pacific time) to address two key issues: the approval of the InsuResilience SMART Premium and Capital Support Principles, and a discussion on the current state and future of the global climate and disaster risk finance and insurance (CDRFI) architecture.

The InsuResilience Global Partnership (IGP) is a joint initiative of G20+ and V20 countries. It unites more than 110 members from government, private sector, civil society, multilateral organizations, and academia behind the InsuResilience [Vision 2025](#). The lead goal of the Vision is to protect 500 million poor and vulnerable people annually against climate and disaster risks by 2025 through pre-arranged risk finance and insurance mechanisms. Since its founding, IGP has made substantial progress in this direction, with 22 programs already operational in more than 100 countries worldwide. In 2020 alone, it was possible to protect 137 million people against climate risks.

The InsuResilience High-Level Consultative Group (HLCG) is the Partnership's main governing body. The HLCG determines the IGP's strategic direction and contributes to shaping the global CDRFI agenda. On 27/28 October 2021, the HLCG convened for the fifth time, bringing together 24 high-level representatives from the Partnership's various stakeholder groups. This HLCG meeting was the first for the United States of America, which joined IGP in June 2021. The meeting was chaired by Patrick Langrine, Secretary of Finance of the Republic of the Marshall Islands, and Maria Flachsbarth, Parliamentary State Secretary to the Federal Minister for Economic Cooperation and Development, Germany.

In the first part of the meeting, the HLCG followed up on the decision taken at its last meeting in June 2021, where it tasked the InsuResilience Secretariat with coordinating the drafting of a Policy Note on how premium and capital support could make CDRFI solutions more affordable and sustainable. The Policy Note was to include a set of joint principles and the views of all HLCG members and their constituencies expressed prior to, during and after the 4th HLCG meeting. In consequence, HLCG members approved the "SMART Premium and Capital Support Principles" and the ensuing policy note with contributions from HLCG members and other key stakeholders. The Principles provide normative guidance on how CDRFI mechanisms can be made more sustainable and affordable with a view to better protecting poor and vulnerable people from climate-related disasters. Subsequently, the Commission of the European Union, the World Food Programme and the Republic of the Marshall Islands shared their perspectives on how they intended to apply the SMART Principles.

The second item on the agenda was the state and future of the global CDRFI architecture. Despite progress in financial protection against climate-related disasters for poor and vulnerable people, huge challenges remain: the bulk of disaster funding is still arranged after disasters; the CDRFI landscape



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remains fragmented; solutions are not always easily accessible or tailored to the specific needs of vulnerable countries; affordability barriers remain a persistent issue, exacerbated by the fiscal impact of COVID-19. At the same time, climate risks continue to increase and will do so for decades to come, even if the Paris Agreement's goals are met.

Leonardo Martinez, Senior Director for Climate Finance to U.S. Special Presidential Envoy for Climate, John Kerry, provided an impulse speech. Subsequently, HLCG members engaged in a lively discussion, moderated by the Secretary General of the Insurance Development Forum (IDF) Ekhosuehi Iyehen. They debated whether the global CDRFI architecture was already commensurate with needs and how it would need to be adjusted over time to be fit for purpose and equipped to tackle accelerating climate impacts. Four key takeaways stood out from the discussion:

1. The agenda topic “enhancement of the Global CDRFI Architecture” was timely and highly relevant.
2. The accessibility and affordability of CDRFI solutions through the application of the Smart Premium and Capital Support Principles play a central role in the debate.
3. Better coordination among the relevant actors and programs is imperative in better aligning existing efforts.
4. More evidence is needed and should be drawn more systematically from existing instruments and solutions.

The HLCG approved setting the enhancement of the global CDRFI architecture as a core strategic topic for the InsuResilience Global Partnership in 2022. The InsuResilience Secretariat was mandated to consolidate views and gather recommendations within the Partnership as a basis for deciding the next steps, e.g. by means of an expert group.

In her closing remarks, Parliamentary State Secretary Maria Flachsbarth announced her departure from the HLCG, explaining that once a new German government was formed, her successor would take over. She thanked the HLCG members for their tireless effort to scale up CDRFI solutions for poor and vulnerable people and underlined Germany's continued strong commitment to the InsuResilience Global Partnership. Secretary Patrick Langrigne thanked Maria Flachsbarth for her leadership and dedicated contribution to the InsuResilience Global Partnership as well as for the close cooperation with her as fellow Co-Chair of the HLCG.