

InsuResilience Global Partnership Working Group on Integrated Approaches

Summary Report on the ‘web-talk’ on Risk Financing and Nature-Based Solutions: Linkages and Opportunities for Integrated Approaches

1st October 2020

Version – 10 November 2020

The InsuResilience Global Partnership’s working group (WG) on Integrated Approaches for Risk Reduction and Risk Transfer supports the Partnership’s vision to embed climate and disaster risk financing and insurance in comprehensive risk management, by developing scalable solutions that link wider climate adaptation and risk management efforts with financial resilience to contribute to long-term resilience gains of vulnerable people.

According to the Partnership’s Vision 2025, two goals of the WG are to be produced by 2022:

- Follow-up studies on integrating climate and disaster risk finance and insurance (CDRFI) with broader resilience measures, including risk reduction, nature-based solutions (NbS) and conservation of natural resources to address specific knowledge gaps and inform global frameworks.
- At least one pilot for an innovative integrated solution implemented in a vulnerable country with strong involvement of the Partnership’s members; additional feasibility work has been done on integrated solutions, e.g. linking risk finance with better preparedness for humanitarian response (forecast-based financing).

This report summarizes the main points discussed during the web-talk, hosted by the WG on Integrated Approaches, with the aim to contribute to the above goals.

The overall objectives for the web-talk were to:

- Engage leading experts to present the underlying science of NbS, explore linkages to risk financing instruments towards enhanced resilience, and showcase concrete examples of solutions that link risk financing and insurance to NbS.
- Gather deeper insights from participants (both from the WG and external – see Audience) on the applicability of these approaches in different locations.
- Provide the platform for stakeholders to discuss potential collaboration for piloting integrated approaches.

The event was attended by approximately 40 participants coming from a broad range of stakeholder groups including governments, civil society, international organisations, academia, and industry. 26% of participants acknowledged that they were attending to learn about the topic. Special effort was made to increase the participation of decision makers from climate-vulnerable countries (members of the Partnership and further V20 members) to allow an engaging discussion that responds to the goals of the event. In future web-talks, these efforts will be increased.

NbS provide many untapped benefits for ‘green’ risk-reduction. During the web-talk, various aspects were discussed: integrating resilience gains of NbS into risk financing and insurance approaches, safeguarding resilience barriers of ecosystems through financial protection mechanisms, looking into evidence of NbS strengthening resilience, applicability and/or piloting of the approaches in new places.



The event was introduced by Head of Partnership's Secretariat Astrid Zwick, after which five presentations by leading experts in the field took place:

1. **The Science Behind Nature-Based Solutions with a Focus on Caribbean Reefs and Mangroves**, by Mike Beck (University of California, Santa Cruz, UCSC)
2. **The Mesoamerican Reef Protection Program – A sustainable initiative**, by Dan Bierenbaum and Juan Marcano (Global Parametrics)
3. **The Mesoamerican Reef Insurance Program: Building Reef Resilience Through Early Action**, by Claudia Ruiz (MAR Fund), Jacqueline Wharton and Simon Young (Willis Towers Watson)
4. **RISCO - Restoration Insurance Service Company – Sustainable Blended Financing for Mangroves**, linked to Disaster Risk Insurance, by Romas Garbaliuskas (Conservation International)
5. **Building Back Better: Using Innovative Finance to support Climate Resilience and COVID-19 Recovery in Indonesia**, by Aparna Shrivastava (Mercy Corps)

After a short Q&A session, participants split in three breakout groups to discuss the following questions:

- What is needed for further scaling-up/dissemination?
- What are the challenges of implementing this solution in other contexts?
- What can the Partnership contribute to overcome challenges?

At the end of the event, participants came back to the plenary session and shared their main points.

Breakout group 1: Mesoamerican Reef Initiatives.

The group identified two main challenges for the implementation of solutions: how to get long term premium finance and to monetize risk reduction benefits? The second challenge was related to the scaling up and inclusion of making ecosystems a component of general disaster risk financing strategies, integrated at regional and national levels.

Breakout group 2: Sustainable Blended Financing for Mangroves, linked to Disaster Risk Insurance.

This group's discussion focused on the challenges for scaling up, in particular, to monetize the benefits of mangroves. It was suggested that governments and/or vulnerable communities could potentially be interested if associated benefits are recognized. Further research in this area was recommended, for example, identifying the reasons for the success of a similar programme in the Philippines. Lastly, it was suggested that the InsuResilience Global Partnership could support by helping to engage with governments since there are currently few potential roles for governments within RISCO programs.

Breakout Room 3: Building Back Better: Using Innovative Finance to support Climate Resilience and COVID-19 Recovery in Indonesia.

This group discussed challenges for scaling up this initiative. The focus on climate risk management and intersection with pandemic risk management has proven advantageous. There is a potential opening in addressing compound risks, accessing funds for Covid-19 recovery, involving the relevant ministries to get the right resources from government and communities, and working with existing Covid-19 recovery packages.

The event was then closed with a reflection from Ms. Zwick. She highlighted that NbS are a win-win solution addressing both adaptation and mitigations aspects, as well as health and pandemic risks, with potential positive economic effects for affected communities. The contribution of the Partnership is to raise awareness on the benefits of the risk reduction effect of NbS, and to shift the focus to the long-term strategies to build back better after disasters through greener and smarter solutions. As a next step, the InsuResilience Secretariat will keep supporting exchanges through a specific sectorial community on NbS and Risk Financing under the Working Group on Integrated Approaches.

A short survey was conducted at the end of the session (not all participants of the web-talk provided their input). According to 92% of the respondents, the event was very good or excellent and 88% said they had gained valuable knowledge. Overall comments were possible, with a request for more time for discussion and active participation.

