



  
**InsuResilience  
GlobalPartnership**

# **INSURESILIENCE ANNUAL FORUM 2021 REPORT**

**“On our way to achieving Vision 2025  
Moving from political ambition to  
implementation”**

**DECEMBER 2021**



## INTRODUCTION

The InsuResilience Annual Forum is the global flagship event of the climate and disaster risk financing community, bringing together members of the InsuResilience Global Partnership and the wider resilience community to exchange knowledge on lessons learned, best practices and innovations.

Due to the Covid-19 pandemic, the Partnership Annual Forum was organized for the second year in a row as a 2-day virtual event from 28 - 29th of October ahead of COP26.

The Forum featured 21 sessions and gathered 700 participants from around the world under the theme **“On our way to achieving Vision 2025 - Moving from political ambition to implementation.”**

The fifth edition of the InsuResilience Annual Forum provided a platform for open discussions on key Climate and Disaster Risk Finance and Insurance (CDRFI) topics such as SMART premium and capital support, leveraging public-private partnerships, or avenues for collaboration in the field of inclusive insurance.

The Forum was also the chance to showcase to our membership innovative approaches and practices in the field of CDRFI through engaging breakout sessions on topics such as digitalisation or urban heat stress. Finally, this Forum also underlined our commitment to bringing new partners and voices to the table through speakers such as Ineza Grace who represented the voices of the Loss and Damage Youth Coalition and called our members to more ambitious action, or Leaders in the field of economics and development such as the Nobel Prize Laureate Prof. Abijhit Banerjee.



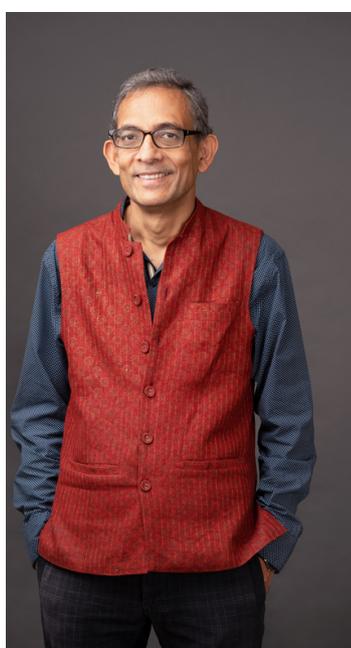
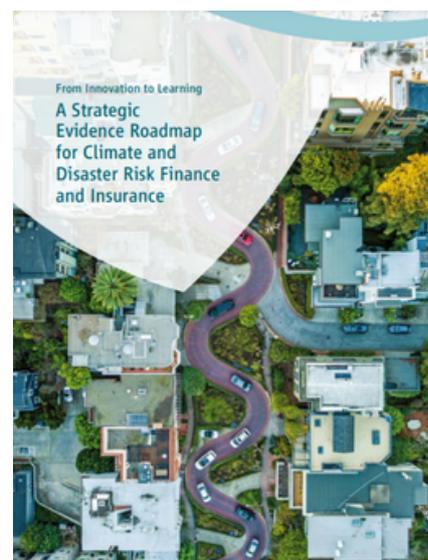
## DAY 1 - HIGH-LEVEL EVENTS

Day 1 of the Annual Forum opened strong with an engaging conversation between **Astrid Zwick**, Head of the InsuResilience Secretariat, and **Chikondi Chabvuta**, Advocacy and Partnerships Coordinator for Southern Africa at CARE International, setting the tone for the Forum's days to come. Acknowledging past achievements but also the challenge to urgently scale up solutions to close the protection gap, Astrid Zwick opened the Forum with a strong call for action: "Let us take this energy out of the Forum into the field and make 2022 the year of changing the gear."

In a video message following the opening session, **H.E. Alfred Alfred Jr.**, former Finance Minister of the Republic of the Marshall Islands and the V20 Co-Chair of the High-Level Consultative Group (HLCG) of the Partnership, underlined that "we must urgently shift focus on adaptation and climate and disaster risk financing and insurance towards comprehensive risk management implementation to protect our people, our enterprises and our infrastructures." **Maria Flachsbarth**, former Parliamentary State Secretary at Germany's Federal Ministry for Economic Cooperation and Development, and G20 Co-Chair of the HLCG, added that in times of increasing climate risks compounded by a global pandemic, "the need for us to work together in tackling these challenges has never been more obvious."

In addition, this first day provided the occasion to feature a strong inspiring message from our latest new member, the USA. In her address to the participants, USAID Administrator **Samantha Power** asserted that "by joining the partnership the US will look for opportunities to start and support new regional risk pools, sovereign risk insurance programmes, and social protection efforts with partner nations."

In her address, **Dr. Xiaomeng Shen**, Director of the UNU-EHS, stressed how “reliable evidence is urgently needed to scale up disaster risk finance solutions that effectively build long term resilience of individuals, communities and countries”. **The Evidence Roadmap**, the latest guidance document published by the InsuResilience Global Partnership and the Munich Climate Insurance Initiative (MCII), addresses this need by mapping out existing research frontiers and signposting new areas for evidence action and investments.



One of the highlights of the day was a very insightful conversation between **Ms. Ekhosuehi Iyehen**, Secretary General of the Insurance Development Forum (IDF), and **Prof. Abhijit Banerjee**, 2019 Nobel Prize Laureate in Economics. The discussion revolved around the question how evidence can drive policy change towards a better global risk finance system. Prof. Banerjee highlighted the importance of both “funding and plumbing”: Providing sufficient and prearranged financial support and channelling it to those who need it most. This, however, requires both a “global institutional framework” and dedicated efforts to build trust in financial solutions at the local level.

The first day of the Annual Forum was topped off by **three engaging Leaders Dialogues**, offering the floor to high-level speakers from governments, international organisations and the private sector.

The panellists of **the first Leaders Dialogue discussed how premium and capital support can make climate and disaster risk insurance solutions more sustainable and affordable for climate vulnerable countries**. The high-level panellists highlighted the importance of clear frameworks, such as the “SMART” Premium and Capital Support Principles recently approved by the InsuResilience High-Level Consultative Group (HLCG), but also the need to feed premium and capital support into a bigger conversation about resilience.

This session was followed by **the leaders dialogue on public-private partnerships**. The three panellists, Mrs Annette Detken (ISF), Mr Denis Duverne (AXA, IDF) and Mr Hector Santana Suárez (Ministry of Finance, Mexico) shared an optimistic outlook on the use of CDRFI solutions in developing countries. As moderator Claudia Thyme (AXA XL) pointed out, the growing awareness of climate risks is already being translated into in cross-sectoral collaborations that drive innovation, enable access to risk data and foster local ownership of CDRFI solutions. Much to the delight of Mr Santana, Ms Detken announced that the InsuResilience Solutions Fund recently approved a pilot project to deliver parametric insurance to 10.000 smallholder farmers in Southern Mexico. It will be the third project funded under the Tripartite Agreement, a public-private partnership between Germany's BMZ, UNDP and the IDF.



**The last Leaders Dialogue of the day assembled the CEOs of four Regional Risk Pools** from across the world: Mr Lesley Ndlovu from the African Risk Capacity (ARC), Mr Aholotu Palu from the Pacific Catastrophe Risk Insurance Company (PCRIC), Mr Isaac Anthony from the Caribbean Catastrophe Risk Insurance Facility (CCRIF SPC), and Mr Gary Rynsard from the Southeast Asia Disaster Risk Insurance Facility (SEADRIF). Moderated by Tuga Alaskary, advisor at the InsuResilience Secretariat, the four experts engaged in a conversation on the successes and challenges faced by Risk Pools, with a special look at the lessons learned from the COVID-19 pandemic, and what is needed to strengthen the global risk financing architecture going forward.

The clear message from the panellists was that Risk Pools are a cornerstone of comprehensive risk management strategies given the unique expertise and diversity of financial instruments they provide. At the same time, Risk Pools are not competing with other DRF approaches, as Aholotu Palu pointed out. Rather, they should be seen as one "puzzle piece" in a holistic risk layering approach.



## REGIONAL SESSIONS TAKEAWAYS

**The Africa regional session gathered four leaders in climate and disaster risk finance in Africa to discuss their experiences in unlocking value through working from the grassroots to create solutions that link to existing local structures, are empowering, and promote transparency and accountability.**

Led by Marcela Tarazona (Head of Climate Finance and Economics, Genesis Analytics), the discussion featured success stories such as Rwanda's National Agricultural Insurance Scheme (NAIS) and the work of the Africa Disaster Risk Financing Programme (ADRFi), as Marcela Tarazona put it, "changing the mindset on how to deal with disaster" in the region. Reflecting on the achievements of NAIS, Eric Rwigamba, Director General of Financial Sector Development at the Ministry of Finance and Economic Planning in Rwanda, highlighted the country's "designed together, implemented together" approach, referring to the extensive consultation processes with local stakeholders to create a more "human-centred" and "needs-based" design, and the importance of bringing the private sector into the fold to ensure the sustainability of the solutions. In terms of the challenges that remain, Cecil Nartey, Programme Coordinator of ADRFi at the Africa Development Bank, addressed the slow uptake of risk financing solutions in the region and the need to increase awareness of risk exposure. He stressed the benefits of moving towards ex-ante disaster management by embedding disaster risk finance into existent baseline products and programmes, addressing high premium costs, and promoting regional collaboration.

**The Latin America session, co-organized by UN World Food Programme and moderated by Paula Pagniez (Americas Lead, Climate and Resilience Hub at Willis Towers Watson), evaluated specific risk finance approaches currently being implemented in the region, like the Interamerican Development Bank contingency credit loans, risk transfer instruments such as the Caribbean Catastrophe Risk Insurance Facility, and parametric microinsurance solutions, like "Mi Inversión Protegida" in Colombia, co-developed with the InsuResilience Solutions Fund (ISF).**

Country risk management strategies would ideally combine different solutions to avoid protection gaps within the different layers of risk, as pointed out by Juan José Durante (IDB).

**The panellists also presented some opportunities to scale up insurance initiatives, mainly through public-private partnerships, but also social protection systems.** As highlighted by Kathryn Milliken (WFP), in combination with risk financing tools, social protection systems offer major opportunities to reach vulnerable populations through different types of cash transfers. While the adoption of risk finance and insurance instruments in the region is picking up, many challenges remain. According to Paula Pagniez, awareness of the different instruments available is key for take-up and scale-up, but so are transparency, affordability and trust.



**The last regional session**, moderated by Josh Ling, Fund Manager of the Asia-Pacific Climate Finance Fund at the Asian Development Bank, **focused on implementation insights and lessons learned from initiatives from the Asia Pacific, including an index-based insurance for coffee farmers in Viet Nam, a parametric insurance solution in Fiji, and an overview of the work of ACLiFF to support the development of climate risk insurance for Micro, Small and Medium Enterprises in the region.** As a common thread with the previous regional sessions, Angelica Barlis (CIAT) noted that a key factor in making the pilot programmes work is to engage the beneficiaries during the development stage, giving them the opportunity to co-design the solutions they need, thus “building trust through the inclusive design.”

The second half of the session addressed the potential scalability of these pilots and, as moderator Josh Ling argued, the importance of having a long-term vision when developing these programmes. In the words of Krishnan Narasimhan (PICAP), when thinking about regional scalability, “one-size does not fit all” and each country must be approached based on its own capacities, market size and strengths. The panellists also shared their expertise in climate risk modelling, the use of digital tools in insurance distribution and in structuring of micro and meso-level insurance solutions.



## DAY 2 - SUMMARY

Day 2 of the InsuResilience Annual Forum 2021 focused on putting political ambition into practice, by examining different case studies on the implementation of Climate and Disaster Risk Finance and Insurance solutions from across the InsuResilience Global Partnership. This second day opened with **Mami Mizutori**, Special Representative of the Secretary-General for Disaster Risk Reduction and Head of UNDRR, giving a strong impulse to further strengthen alignment and scale up CDRFI.



Following the regional session for Asia and the Pacific, **the Forum's final Leaders Dialogue delved into the details of inclusive insurance for smallholder farmers.** Moderator Katharine Pulvermacher (Executive Director at the Microinsurance Network) and the panellists reminded the audience that the resilience of smallholder farmers does indeed affect everyone as smallholders form the backbone of global food systems. Ms Ingrid Hoven, Managing Director at GIZ, called on governments to provide the enabling conditions to scale up climate insurance and emphasized the need for a systemic approach to tackle the compounded risks faced by smallholder farmers today. Finally, Ms Maria Teresa Zappia, deputy CEO at Blue Orchard, encouraged the insurance sector to see the financial protection gap among smallholder farmers as a market opportunity which has become accessible thanks to the latest advances in the InsurTech sector.



The high-level session was then followed by a series of 8 breakout sessions, showcasing best practices and learnings from the field on a wide range of topics of relevance to the CDRFI community. The breakout session on Digitalisation and InsurTech illustrated how the adoption of technology and digitalisation along the insurance value chain can help remove barriers to the sustainability and scaling-up of climate risk insurance schemes for poor and vulnerable populations.

**The second breakout session organized by KfW, focused on how private investment in climate risk insurance in developing countries can be accelerated** and how, in turn, the private sector can benefit from using climate insurance solutions. The inputs provided by the panellists showcased opportunities for private investors seeking to contribute to climate resilience in low- and middle-income countries, such as the InsuResilience Investment Fund's new private equity fund (IIF 2). The benefits that climate risk insurance confers for the private sector were aptly illustrated by the case study of Enabling Capital and Global Parametrics using a Natural Disaster Fund (NDF) product.



**The monitoring and evaluating impact breakout session raised awareness on the technical content of the Strategic Evidence Roadmap for CDRFI, and highlighted the need for increased evidence action and investments commitments made by InsuResilience Global Partnership members and others in the community.** Anticipation Hub's breakout session, on the other hand, explored opportunities for linking risk financing with anticipatory action, with a focus on the Philippines. Specifically, the Philippines' Technical Working Group on Anticipatory Action was introduced, outlining how the current policy environment limits access to funds for anticipatory action at the national level and the importance of raising awareness on anticipatory action among key local actors. The session also highlighted that the reliability of models and forecasts is crucial to encourage private sector involvement in the development of index-based insurance solutions.



Building on the work carried out under the InsuResilience Centre of Excellence on Gender-smart Solutions, which was officially launched at COP26, **the gender breakout session featured “stories of change” related to gender and CDRFI.** By reflecting on concrete case studies, panellists stimulated **a fruitful discussion on why a gender-smart approach to CDRFI is important, what is needed to drive forward a sector-wide transformation and how to become an agent for change.** As GIZ advisor Sarah Favrichon emphasized, the idea is to integrate gender concerns in every step of the climate risk management cycle, from preparedness to reduction and risk transfer. Finally, Sumaiya Kabir, Consortium Coordinator at CARE Bangladesh, noted the importance of setting simple gender targets and to resource them properly.

**Growing research demonstrates the role of Nature-based Solutions (NbS) as an efficient tool in supporting ecosystem functions, avoiding damage and reducing exposure to the effects of climate change.** In this regard, the breakout session on Nature-based Solutions explored the different opportunities and challenges of linking these with disaster risk finance. Organized by The Nature Conservancy, the session showcased specific examples, like the world’s first coral reef insurance product, and perspectives of multiple sectors.

Another core topic introduced during the breakout sessions was that of tackling urban heat stress with Climate and Disaster Risk Finance and Insurance. **This session highlighted the urgent need for governments, institutions, and policymakers to address one of the most dangerous yet least acknowledged natural disasters - extreme heat.** The speakers illustrated how finance and insurance can be mobilized to help save lives and improve health and economic outcomes in the face of rising temperatures and more frequent heatwaves. As a special treat, the session presented a case study on one of the world's first forecast-based financial mechanisms focused on extreme heat. The panellists raised awareness on how, through climate risk finance, leaders can take concrete action to protect lives and local economies from the dangers of our rapidly warming world.

Last but not least, the national adaptation planning session explored how countries can use their national adaptation planning processes to accelerate CDRFI solutions that build resilience to climate change at different levels through an interactive exchange of knowledge.





After a day packed with a wide range of innovative topics and practical sessions, **the second day of the InsuResilience Annual Forum ended with a final intervention by Astrid Zwick**, Head of the InsuResilience Secretariat, **and Dirk Reinhard**, Vice Chairman of the Munich Re Foundation, on the future of climate and disaster risk finance and the outlook for 2022. **The closing session flagged the need for actors to look at different solutions and have a much broader, more strategic and systemic approach to climate and disaster risk management and risk reduction with multiple layers, to provide protection to as many people as possible.**

**To learn more about the sessions mentioned, please visit our [youtube channel](#).**

