



InsuResilience
GlobalPartnership

25 June 2019

InsuResilience Global Partnership Communiqué to the UN Climate Action Summit, 23 September 2019

We, the **Members of the High Level Consultative Group ('HLCG')**, are looking forward to contributing to the UN Climate Action Summit: 'A Race We Can Win. A Race We Must Win' to be convened by the UN Secretary-General António Guterres on 23 September 2019.

Climate change is rapidly altering the global risk landscape. Adaptation support does not yet keep pace with negative consequences related to climate and weather risks. Even in a world still below 1.5°, the increased frequency and magnitude of storms, floods and droughts regularly devastate cities, destroy crops, and drain public resources from development. The impact is the greatest among poor and vulnerable communities.

The InsuResilience Global Partnership is committed to **strengthening people's ability to deal with climate shocks** as a central part of the global response to climate change. The Partnership is building **risk coping strategies such as risk finance and insurance at a historic scale**. These solutions buffer against untold costs to people, and buoy political and economic stability necessary for **just transition**.

The **InsuResilience Global Partnership strengthens the resilience of developing countries by protecting the lives and livelihoods of poor and vulnerable people, with particular emphasis on women and girls**, and by working to support and complement **climate-proof growth** and development strategies in the face of disasters. The central objective of the Partnership is to **better prepare for and reduce the human impacts of climate and disaster risk** through the use of **climate and disaster risk finance and insurance ('CDRFI') solutions**, and to **enable more timely and reliable post-disaster response**. This complements ongoing efforts in countries to avert, minimize and address climate and disaster risks. This contributes a unique collaboration across the public and private sphere, together with members from academia and civil society, under one common vision with an array of measurable targets.

With this communiqué and the **Vision 2025 and Workplan of the InsuResilience Global Partnership ('the Partnership')**, we would like to make an **actionable and transformative contribution to the resilience and adaptation action track** of the Summit. We seek to **enhance CDRFI as a solution to close the protection gap** and emphasize the **urgency of scaling up and accelerating risk financing in 2019 and beyond**. We put forward a Vision 2025 with a Workplan outlining the objectives and activities of the Partnership through four overarching Workstreams:

- ▶ **Strategic Guidance and Convergence:** Guide the integration of CDRFI solutions in global climate change and resilience frameworks.
- ▶ **Action and Implementation:** Enable effective action and implementation of high-quality CDRFI solutions in poor and vulnerable countries.
- ▶ **Capacity Building and Knowledge Management:** Build capacities of all stakeholders to guarantee wide-ranging understanding of CDRFI, with comprehensible information, easily disseminated through user-friendly knowledge-sharing platforms.

- ▶ **Collaborative Network:** Foster collaborations to drive the development of CDRFI solutions through well-established networking and management of information.

The deliverables stemming from the aforementioned Workstreams incorporate two crosscutting objectives:

- ▶ **Pro-Poor approach:** activities stemming from the Workplan should be centered around poor and vulnerable people.
- ▶ **Gender mainstreaming:** Design and promote gender-sensitive approaches and tools to be integrated across all Workstreams. Ensure crosscutting coordination of gender-sensitive approaches, capture, and leverage best practices.


We aspire to contribute to the **resilience and adaptation action track**, through the following key activities:

- ▶ Use the Partnership as the central **collaborative platform for promoting knowledge, products and services** around climate and disaster risk finance, bundling efforts of its diverse actors in the private and public spheres as well as civil society organisations (CSO) to close the protection gap, strengthen ex ante finance for climate risks and disasters, and share lessons learnt to improve quality of activities.
- ▶ Partner with the **Global Commission on Adaptation (GCA)**, amongst other relevant parties, to increase global awareness of and improve access to insurance and other pre-arranged risk finance solutions for governments, MSMEs, smallholder farmers, and other poor and vulnerable households in developing countries.
- ▶ Promote **implementation through the InsuResilience Program Alliance and other risk finance programs** by adopting and promoting innovations in data and modelling, financial and insurance instruments, and improving integration within broader resilience efforts, including through engagement with regional development banks. Inter alia, the Program Alliance aims to:
 - **Enable action through pre-disaster planning to manage risks and build cheaper, faster and reliable finance in emergencies** in collaboration with the **Centre for Disaster Protection** in order to create a seamless flow of support between climate and disaster risk finance and humanitarian efforts.
 - **Transform** climate risk insurance concepts into **products ready for market placement** and bring successful piloted climate risk insurance products to scale through the **InsuResilience Solutions Fund ('ISF')**, providing grant funding geared to public private partnerships.
 - **Enable earlier and more reliable response to and recovery after climate and disaster shocks** through the **Global Risk Financing Facility ('GRiF')**, which aims to **establish and scale up pre-arranged risk financing instruments**.
 - **Increase the impact of microinsurance in key geographies**, by both improving products and delivery, and through long-term investments in the enabling environment of each country, including through collaboration with the United Nations Development Programme ('UNDP').
- ▶ Accelerate the **availability of sovereign and sub-sovereign insurance, including microinsurance**, together with public and private sector partners in the **Insurance Development Forum's ('IDF') Inclusive Insurance and Sovereign & Humanitarian Working Group** to enhance resilience, protect lives, ensure food security and enable sustainable development, in particular in V20 and other vulnerable countries.

- ▶ *Identify*, through research and practical case studies, gender knowledge gaps and approaches to **integrating gender dimensions into different models of CDRFI**, which the Partnership will use to create a gender framework.
- ▶ *Support* poor and vulnerable countries in unlocking their full potential for climate-proof development by promoting a **thriving dialogue and collaboration between V20 and G20 countries** on climate resilience, in particular working towards
 - **Demand driven risk finance solutions**, supporting the development of integrated people-centred and gender-sensitive **climate-smart insurance strategies for micro-, small-, and medium-sized enterprises ('MSMEs')**, including through the launch of the V20-led Sustainable Insurance Facility.
 - **Socio-economic resilience and fiscal stability** in the face of natural disasters, including through enhanced credit access and through sustainable financial support for the development of climate-smart MSME insurance solutions.
- ▶ *Integrate* risk finance and insurance into **broader adaptation and resilience strategies**, for example, by promoting the resilience of critical infrastructure and safeguarding agricultural value chains through risk finance and insurance instruments, and by linking risk finance solutions to social protection schemes.

We commit to work together to achieve the following aspirational, transformative yet achievable results by 2025 through voluntary collaborative efforts of all members that contribute to the indicators identified below. *(A monitoring framework based on the key indicators will be further developed to provide a regular review of progress and indicate where activities should focus to maximise impact. In September 2020, one year after the UNCAS, HLCG members and relevant stakeholders will be invited to review the targets suggested herein, providing the opportunity to adjust the set of indicators, corresponding targets, and underlying methodology):*

- ▶ 500 million poor and vulnerable people covered against disaster and climate shocks by pre-arranged risk finance and insurance mechanisms, including the InsuResilience G7 goal.
- ▶ 150 million people covered by microinsurance, including the InsuResilience G7 goal.
- ▶ 10% of average annual climate and disaster losses in V20 and other vulnerable countries covered by pre-arranged risk finance and insurance mechanisms.
- ▶ 80 V20 and other vulnerable countries with comprehensive disaster risk finance strategies in place.
- ▶ 60 V20 and other vulnerable countries with new or enhanced (sub-) sovereign pre-arranged risk financing and insurance mechanisms for critical infrastructure and/or rapid funding for disaster response.
- ▶ 70 V20 and other vulnerable countries have developed property and agricultural microinsurance solutions.
- ▶ US\$ 5 billion of risk capital offered by the insurance industry to provide the necessary risk capacity for the above targets (on the basis of IDF private sector commitment).
- ▶ Commitment by the private sector to develop open-source catastrophe risk models for V20 and other vulnerable countries, contributing to climate and disaster risk informed decision-making.
- ▶ Commitment by the public sector to support countries in developing a diversified portfolio of financial instruments, including insurance, and in this context strengthen



climate risk analytics and promote open source climate risk models to inform country decisions.

- ▶ Commitment by actors engaged in implementation to integrate gender-sensitive approaches to CDRFI solutions and to reporting gender-disaggregated data on CDRFI instruments.