



InsuResilience Global Partnership

The global partnership for financing and insurance solutions against climate and disaster risks

BACKGROUND

Extreme weather events are increasing in intensity and frequency across the world as a result of climate change. People in developing countries are particularly at risk. **Better prevention and disaster response can protect lives and livelihoods. This requires making the shift from ad hoc crisis management to financing and insurance strategies that are agreed upon in advance.**

The **InsuResilience Global Partnership (IGP)** was founded in 2017 by the German government, together with partners from the **G20+** and **V20** (finance ministers of the 48 poorest and most vulnerable countries). It now has **over 110 members** from industrialised and developing countries, civil society, the private sector, development banks, multilateral organisations and academia.

The IGP is **the key global initiative for financing and insurance solutions for climate and disaster risks in developing countries**

OBJECTIVE

The IGP aims to make developing countries more financially resilient **to extreme weather events** and to protect poor and vulnerable people from the consequences of (climate) disasters.

The way to achieve this is by responding quickly, cost-effectively and reliably to climate shocks and disasters. By agreeing in advance on risk financing instruments, such as climate risk insurance, affected countries can better prepare for the negative and costly impacts of climate change. As **proactive measures**, insurance and similar risk financing instruments can help lessen the impact of climate hazards: **When an extreme event occurs, governments are able to respond quickly and appropriately because solvency is assured. The payouts protect poor and vulnerable people against impoverishment, hunger and the threat of debt.**

The IGP advocates for member and partner countries, particularly from the V20 group, to adopt **comprehensive financing strategies in their climate and disaster risk management.** This complements the countries' ongoing efforts to minimise and avert climate and disaster risks.

Special focus is put on **supporting particularly poor and vulnerable countries and people.** Here the emphasis is on implementing **gender-sensitive and inclusive approaches** that reflect the fact that women and other disadvantaged groups are particularly vulnerable to climate risks.

STRONG PARTNERSHIP AS THE BASIS FOR SUSTAINABLE SUCCESS

The expansion of risk finance instruments is an ambitious and complex task that involves, among other things, product development, market penetration and government regulation. To this end, the IGP **brings together expertise from various fields. Governments**, as well as the **private sector, multilateral organisations, civil society and academia** are represented. This enables the development of individual programmes that take country-specific circumstances into account.

Three committees and formats steer the IGP at different levels. The **High-Level Consultative Group** defines its strategic direction. This steering group is currently chaired by Germany and the Republic of the Marshall Islands as representatives of the countries. The **Program Alliance**, as an association of key implementation programmes, supports coordination. The annual **Partnership Forum** provides a discussion platform for all members and promotes the exchange of experience and knowledge.

VISION 2025

In 2019, the IGP's members **set ambitious goals** in their "**Vision 2025**" to make a decisive, actionable, and transformative contribution to the global resilience agenda by 2025:

- **500 million poor and vulnerable people are to be protected annually against disaster and climate shocks** through pre-arranged risk financing and insurance mechanisms for states, companies and households.
- **Of these, 150 million people are to be directly covered by microinsurance.**
- **10 per cent of average annual climate and disaster losses** in V20 and other vulnerable countries are to be covered by risk financing and insurance mechanisms.
- **Comprehensive and adapted disaster risk financing strategies** are to be prepared with **80 countries.**

RESULTS

The Federal Ministry for Economic Cooperation and Development (BMZ) has so far contributed **around 800 million euros** in support of IGP's risk financing and insurance solutions. A total of **22 programmes with 218 projects in 101 countries are either active or currently being developed.**

The **Caribbean Catastrophe Risk Insurance Facility (CCRIF)** is one example of an IGP result: As a regional risk pool, CCRIF provides insurance against hurricanes and earthquakes at the state level for countries in Central America and the Caribbean. **BMZ has supported CCRIF with approximately 27 million euros. In 2019 and 2020, 11 million people were insured by CCRIF.** Following the devastating earthquake in Haiti in August 2021, CCRIF made its largest payout since its inception in 2007, amounting to 40 million US dollars.

At the UN Secretary-General's Climate Action Summit in September 2019, **the BMZ signed an agreement with the United Nations Development Programme (UNDP) and the Insurance Development Forum (IDF)** for a programme to comprehensively insure 20 developing countries against climate risks by 2025. Under this programme, the insurance industry is providing **5 billion US dollars in insurance capacity.** The programme also strengthens the analysis and application of data on climate and catastrophe risks. On this basis, climate risk insurance, for example, is being developed and applied as part of broader development and climate adaptation processes. **In Peru**, one of the 20 priority countries, the first project was launched in 2020 to insure **50,000 public schools** so they can be quickly rebuilt in the event of a disaster. 3.3 million Peruvian schoolchildren are expected to benefit from the insurance coverage.

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