



InsuResilience

The G7 Climate Risk Insurance Initiative

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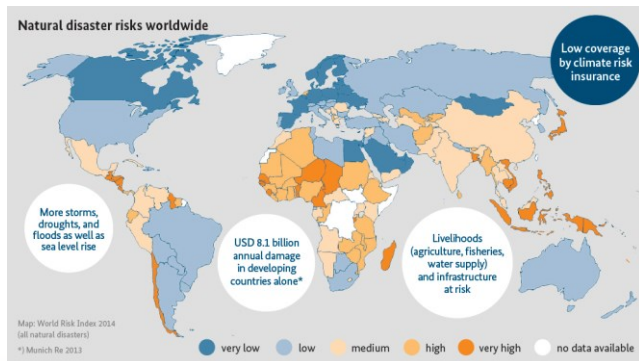
Overview

- 1) The challenge
- 2) The approach
- 3) Key features of InsuResilience
 - Objective
 - Commitments
 - Components
- 4) Recent developments & next steps



The challenge

- In the last four years, **310 million people** in developing countries suffered from devastating impacts of climate-related disasters.
- Climate change will increase intensity and frequency of extreme weather events.



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The approach

- It is important to deal with climate risks through **various types of actions**.
- **Mitigation** of greenhouse gas emissions reduce the magnitude of climate change.
- **Comprehensive climate risk management** reduces the negative impacts from climate change.
- Even highly ambitious mitigation and adaptation actions cannot eradicate all climate risks.
 - **Risk transfer** is one way of dealing with these residual risks.
- **Climate risk insurance schemes** thus form an important part of a comprehensive climate risk management approach.

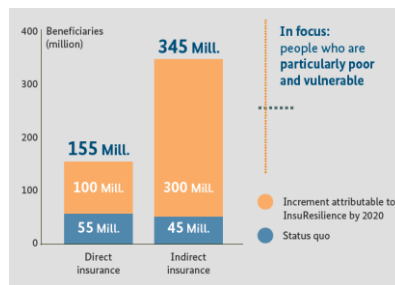
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InsuResilience – Objective

- “We will aim to **increase by up to 400 million** the number of people in the most vulnerable developing countries who have **access to direct or indirect insurance coverage** against the negative impacts of climate change related hazards **by 2020**” (G7 Elmau Leaders’ Declaration, 8 June 2015).
- **Collaboration** with partners from public and private sectors as well as civil society to reach this objective.



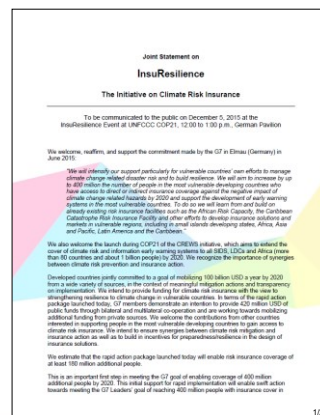
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InsuResilience – Commitments

- At COP21, the G7 communicated the ‘**Joint Statement on InsuResilience – The Initiative on Climate Risk Insurance**’:
 - Reaffirmed objective from Elmau Leaders’ Declaration;
 - Recognized importance of synergies between climate risk reduction and insurance action;
 - Pledged **USD 420 million** of public funds for a **rapid action package**;
 - Declared intention to mobilize additional funding from private sources.
- The rapid action package will enable insuring at least **180 million people** against climate risks.



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InsuResilience – Components (1)

- To achieve its objective, InsuResilience builds on **two components**:

Boosting
indirect
insurance

Developing
and promoting
direct
insurance

1) Boosting indirect insurance

- In the short term, focus lies on expanding and capitalizing **already existing indirect insurance facilities and initiatives**, e.g.:
 - African Risk Capacity (ARC)
 - Pacific Catastrophe Risk Assessment & Financing Initiative (PCRAFI)
 - Caribbean and Central American Catastrophe Risk Insurance Facility (CCRIF)
- Indirect schemes insure **intermediaries** like municipalities or national governments, which coordinate pay-outs to the affected population.
- Additional funding will be used for **expanding insurance products** (i.e. additional hazards like tropical storms) and **increasing number of countries covered**.

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InsuResilience – Components (2)

- To achieve its objective, InsuResilience builds on **two components**:

Boosting
indirect
insurance

Developing
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insurance

2) Developing and promoting direct insurance

- In the medium and long term, InsuResilience will put stronger focus on **direct insurance schemes**.
- **Individual insurance policy holders** such as farmer households and small businesses receive direct pay-outs.
- Close cooperation with **private sector** is a key success factor for sustainable direct insurance schemes.
 - Provides risk capital, knowledge & data, and technologies (e.g. remote sensing).
- InsuResilience strives to **reduce market barriers** for private sector engagement.

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Recent developments & next steps

Selected milestones for 2016 (already under preparation)

- Implementing the **rapid action measures**.
- Developing a **M&E framework**.
- Conducting a “**pro-poor study**” on how to reach the target group most effectively.
- Establishing a **Secretariat**.
- Agreeing on a **structure for stakeholder participation**.



Thank you very much for your
attention!