

90. INSU-RESILIENCE FOR CLIMATE AND DISASTER RISK FINANCE AND INSURANCE SOLUTIONS

ACTION AREA	CLIMATE RESILIENT DEVELOPMENT PATHWAYS
SOLUTION CLUSTER	CLIMATE RISK REDUCTION & MANAGEMENT
THEMATIC AREA	CLIMATE INSURANCE PRODUCTS
SUBMITTED BY	CGIAR/WFP

WHAT IS THE RISK, SHOCK, STRESS THAT THE SOLUTION IS TRYING TO ADDRESS?

Given the **adverse effects of climate change on the agricultural sector in developing countries, adequate access to risk finance tools for anticipatory action and fast liquidity has the potential to stop people from falling into poverty and distress after a disaster strikes, and to protect development gains.** For example, the World Food Programme's R4 Rural Resilience Initiative is designed to equip smallholders with access to crop insurance and other risk reduction activities and the African Risk Capacity provides a striking case of an index-based weather insurance that alleviates the pressure from drought emergencies threatening food security.

HOW DOES THE SOLUTION IMPROVE OR ENHANCE RESILIENCE OF FOOD SYSTEMS?

InsuResilience Global Partnership is a game-changer initiative putting forward an actionable transformative agenda contributing to resilient food systems

As the world sees an increase in frequency and intensity of extreme weather events, the lives and livelihoods of people are under threat, especially of people from poor and vulnerable communities. Disaster and climate change impacts threaten economic development, a resilient food system, poverty alleviation and broader development agenda. The cost of responding to disasters will continue to increase and force countries to frequently divert longer-term development finance into short-term response measures. Hence, **there is a need to shift from reactive crisis management towards pre-arranged financing for better preparedness and reliable disaster response.**

The IGP's goal to scale-up risk finance and risk transfer solutions for the poor and most vulnerable people, with particular emphasis on women and girls. Through a grand coalition of 100 members, **the IGP is a game-changing initiative, well-structured to drive forward ambitious, transformative, scalable and sustainable solutions to address the protection gap in the face of increasing climate volatility.** This unique coordinated effort in the climate and disaster risk finance and insurance space brings together industrialised and vulnerable countries, the private sector, multilateral organisations, civil society, academia and other networks and initiatives behind a common vision.

HOW CAN THIS SOLUTION ADDRESS THE PROBLEM?

Through its collaborative delivery vehicle, the Program Alliance, IGP members ensure **better coherence in channelling donor support to vulnerable countries and implement solutions on the ground**. Its High- Level Consultative Group brings together high-level government representatives, CEOs, and heads agency to **ensure political leadership and visibility of the initiative**. The Partnership Forum is the annual flagship event of the climate and disaster risk finance and insurance community through which IGP **promotes a thriving collaboration, knowledge creation and exchange for enhanced impact on the ground**.

With its focus on climate and disaster risks, **the 22 programmes under the IGP cover 14 risks in more than 100 countries**. Many of these risks are stressors for the agricultural sector such as extreme heat/cold, floods, excess rainfall and drought. Acknowledging the crucial role of agriculture for people's livelihoods and emerging economies, many programs under the **IGP strive to increase the resilience of people along the agricultural value chains particularly affected by climate change**.

WHAT IS THE EVIDENCE GENERATED IN THE FIELD OR IN ACADEMIA TO SUPPORT THIS IDEA?

Evidence from multiple countries suggests that when a disaster strikes, ex-ante disaster risk strategies such as early action and prearranged finance and insurance solutions have the potential to bring significant economic and developmental benefits to vulnerable populations as they enable a quick response. In contrast to traditional crisis management that only gradually starts in the aftermath of extreme event, harnessing Climate and Disaster Risk Finance and Insurance can play a pivotal role in stopping extreme events from turning into disasters

IS THIS A NEW CONCEPT OR HAVE YOU ALREADY DISCUSSED IT WITH OTHER MEMBER STATES OR PARTNER?

IGP was officially launched at the UN Climate Conference COP23 in November 2017. IGP was initiated during the German G20 Presidency with a strong involvement of the Ethiopian V20 Presidency. The aim was to create a global V20-G20 initiative with a needs-based approach to increase resilience amongst the most poor and vulnerable people. Since the launch, more than 100 diverse partners have signed the Joint Statement and became members of IGP. This grand coalition of actors rally behind a common vision and operate within a platform for implementation that translates coalition-building into actionable and innovative CDRFI solutions in emerging economies.

HOW DOES THIS SOLUTION CONTRIBUTE TO (A) EMPOWER WOMEN AND COMBAT GENDER INEQUALITIES, AND (B) THE FULFILMENT OF HUMAN RIGHTS, ESPECIALLY THE RIGHT TO FOOD AND THE RIGHT TO WATER, (C) MAKE USE OF INNOVATIONS (TECHNOLOGIES, INSTITUTIONS, PROCESSES)?

The High-Level Consultative Group (HLCG), the highest governing body and strategic driver of IGP, has taken strides in **prioritizing gender considerations in CDRFI and promoting action**. Since its formation in 2018, the HLCG has tasked the InsuResilience Secretariat to form and mobilize a **gender working group**, identified **gender mainstreaming as a cross-cutting objective under the Vision 2025**, mandated the establishment of a **Centre of Excellence on Gender-smart Solutions** and endorsed a **Declaration on Gender**, marking an important milestone and offering a firm signal of the commitment to consolidate and strengthen efforts of members of the Partnership, to drive comprehensive gender-responsive approaches in CDRFI interventions.

The IGP is guided by **Pro-Poor-Principles** which align with, and promote a human rights-based approach to climate and disaster risk finance (both in terms of their attainment as well as the process requirements indicated by a such an approach). Principle number 5 on "Equity" makes a direct reference to embed Human Rights within CDRFI solutions to ensure that poor and vulnerable people attain and maintain their rights in the aftermath of disasters, or consequent to slow onset events caused by climate change.