



LEAVING NO ONE BEHIND IN THE DIGITAL ERA:

Pacific Insurance and Climate Adaptation Programme

Building Resilience in the Pacific through Climate Disaster Risk Finance and Insurance

UNCDF, UNDP, and UNU-EHS are jointly implementing the Pacific Insurance and Climate Adaptation Programme that aims to develop, deploy, pilot, test, and scale market-based financial instruments including parametric insurance. This new approach to offering insurance will provide Pacific people with immediate cash relief after extreme weather events and natural hazards – **“Improving the financial preparedness of Pacific households, communities, small businesses, organisations, and governments towards climate change and natural hazards”**.

Pacific vulnerability

Pacific Island countries are highly vulnerable to natural hazards like cyclones, floods, earthquakes, and droughts. Such events cause economic losses running into millions of dollars. As climate change increases the frequency and severity of naturally-induced disasters, economic losses worsen. With limited insurance protection options in the region, many Pacific Islanders affected by disasters are left with nothing or are dependent on government assistance. These payments can take weeks, pushing vulnerable populations into poverty and economic hardship.



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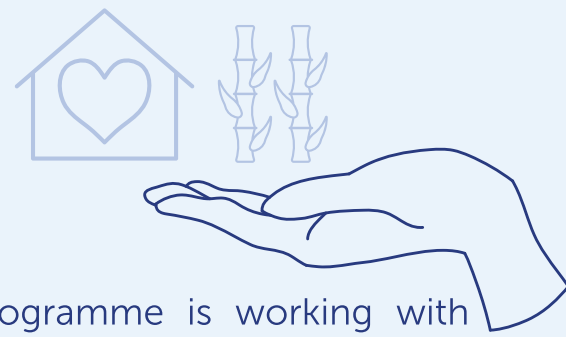


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Programme and solutions



The Pacific Insurance and Climate Adaptation Programme is working with governments and stakeholders in Pacific Small Island Developing States to develop sustainable market-based Climate and Disaster Risk Financing (CDRF) instruments such as parametric insurance, specifically focusing on:

- **Affordability** - the market-based parametric insurance scheme is financially affordable to Pacific people and made available through technology-based digital channels and groups such as cooperatives.
- **Fast Recovery** - there will be no waiting for lengthy assessments post-disaster as pay-outs are linked to predefined triggers. Payments are quickly transferred digitally through mobile wallets and bank accounts.
- **Resilience** - by purchasing parametric insurance coverage, Pacific Islanders will have financial protection against natural hazards.

Enabling the policy environment

The Programme will work with Pacific governments and financial sector regulators to develop appropriate policy and regulatory frameworks that enable the development of market-based CDRF instruments.

The Programme's work on empowering customers will ensure that individuals and communities have a better understanding of, access to, and usage of market-based CDRF instruments, enabling them to better manage disaster risk. The Programme will conduct trainings to educate insurers and partners on different CDRF products.

Last-mile reach



Digital payment ecosystems and infrastructure will also be developed to ensure last-mile reach in rural and remote areas. This will allow for digital payments to be made quickly post-disaster.



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Build Disaster Risk
Resilience in the
Pacific through
Finance,
Adaptation and
Insurance



Unlocking Public and Private
Finance for the Poor

About UNCDF:

The UN Capital Development Fund makes public and private finance work for the poor in the world's 46 least developed countries (LDCs). UNCDF offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development. UNCDF's strategy 'Leaving no one behind in the digital era' is based on over a decade of experience in digital financial inclusion in Africa, Asia and the Pacific. UNCDF leverages digital finance in support of the Sustainable Development Goals (SDGs) to achieve the vision of promoting digital economies that leave no one behind. The goal of UNCDF is to empower millions of people by 2024 to use services daily that leverage innovation and technology and contribute to the SDGs. To achieve this vision UNCDF uses a market development approach and continuously seeks to address underlying market dysfunctions that exclude people living in the last mile.

About UNU-EHS:

The United Nations University – Institute for Environment and Human Security is based in Bonn, Germany and conducts research on risks and adaptation related to environmental hazards and global change. The institute's research promotes policies and programmes to reduce these risks, while taking into account the interplay between environmental and societal factors. Research areas include climate change adaptation by incorporating insurance-related approaches, environmentally induced migration and social vulnerability, ecosystem-based solutions to adaptation and disaster risk reduction, and models and tools to analyse vulnerability and risks linked to natural hazards, with a focus on urban space and rural-urban interfaces. UNU-EHS also offers the joint Master of Science degree programme "Geography of Environmental Risks and Human Security" with the University of Bonn and hosts international PhD projects and courses on global issues of environmental risks and sustainable development. <http://ehs.unu.edu>

About UNDP:

UNDP partners with people at all levels of society to help build nations that can withstand crisis, and drive and sustain the kind of growth that improves the quality of life for everyone. The UNDP Pacific Office in Fiji serves 14 countries and territories in the Pacific, as part of the 177-country office UNDP network, and offers global perspective and local insight to help empower lives and build resilient nations. www.pacific.undp.org

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