



FINANCING INNOVATIVE APPROACHES TO ADDRESS LOSS AND DAMAGE IN VULNERABLE COUNTRIES



A portrait of a woman with long dark hair, wearing glasses and a black t-shirt. She has a yellow flower tucked behind her ear and is holding a small black microphone. The background is a dense, textured green wall. A green horizontal bar is at the top of the image.

Sivoki Lavemaau

Acting Deputy CEO, Budget Division, Ministry of Finance - Tonga



FINANCING INNOVATIVE APPROACHES TO ADDRESS LOSS AND DAMAGE IN VULNERABLE COUNTRIES





**Approaches &
Instruments**

Global Level

A man with a beard and short dark hair, wearing a dark suit jacket over a blue t-shirt, is speaking into a microphone. He is standing in front of a large screen displaying a dense, colorful forest scene. A lanyard with a badge is visible around his neck. The badge has text including 'Observer' and 'Irfan Ullah'.

Irfan Ullah Afridi

YOUNGO Loss and Damage WG Lead

Vision of the Global Shield Against Climate Risks



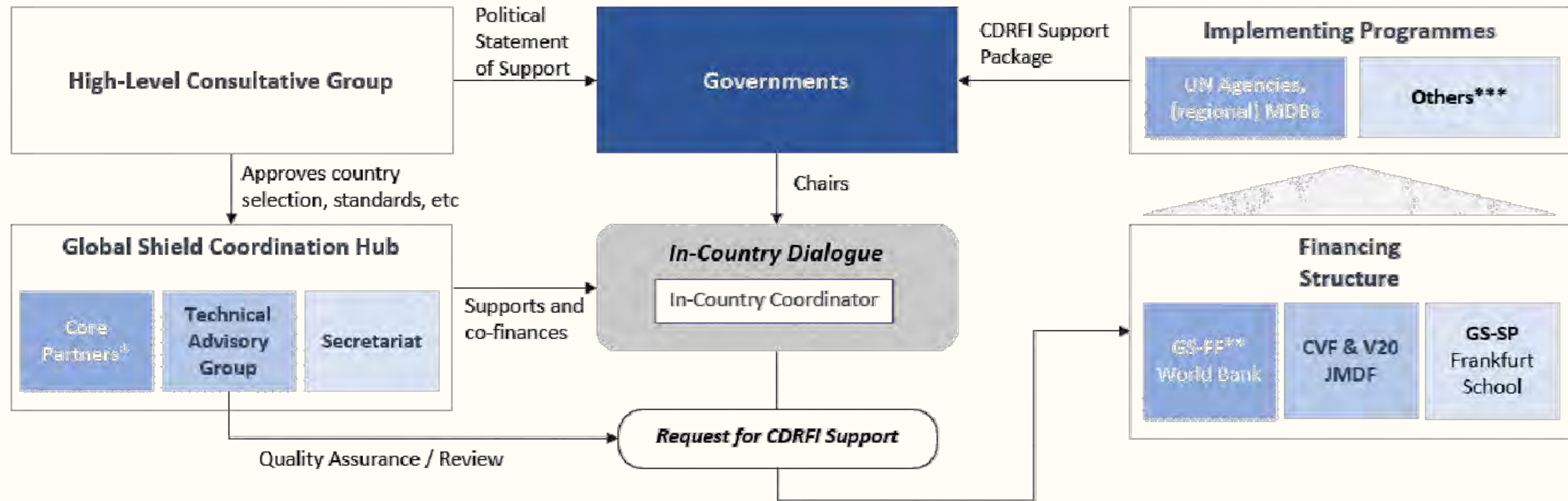
Global Shield
against Climate Risks

Joint V20 – G7 Presidency cooperation
to substantially increase financial
protection against climate risks

**More systematic, coherent and
sustained approach**

**More and better
pre-arranged and trigger-based finance**
Immediate funds accessible in the most efficient, effective and fastest way by
economies, enterprises and communities

Overview of Global Shield Set-Up



* V20 Sec, BMZ, FCDO, ADB, Centre for Disaster Protection, KfW, UNDP, World Bank, IDF Sec

** GS-FF can fund both World Bank-executed projects and external projects via transfer-outs

*** Private Sector, Risk Pools, IIF, NDF, GIZ, V20 SIF/UNEP FI PSI, V20 Loss and Damage Funding Program, Climate Prosperity Plans, bilateral G7 programs

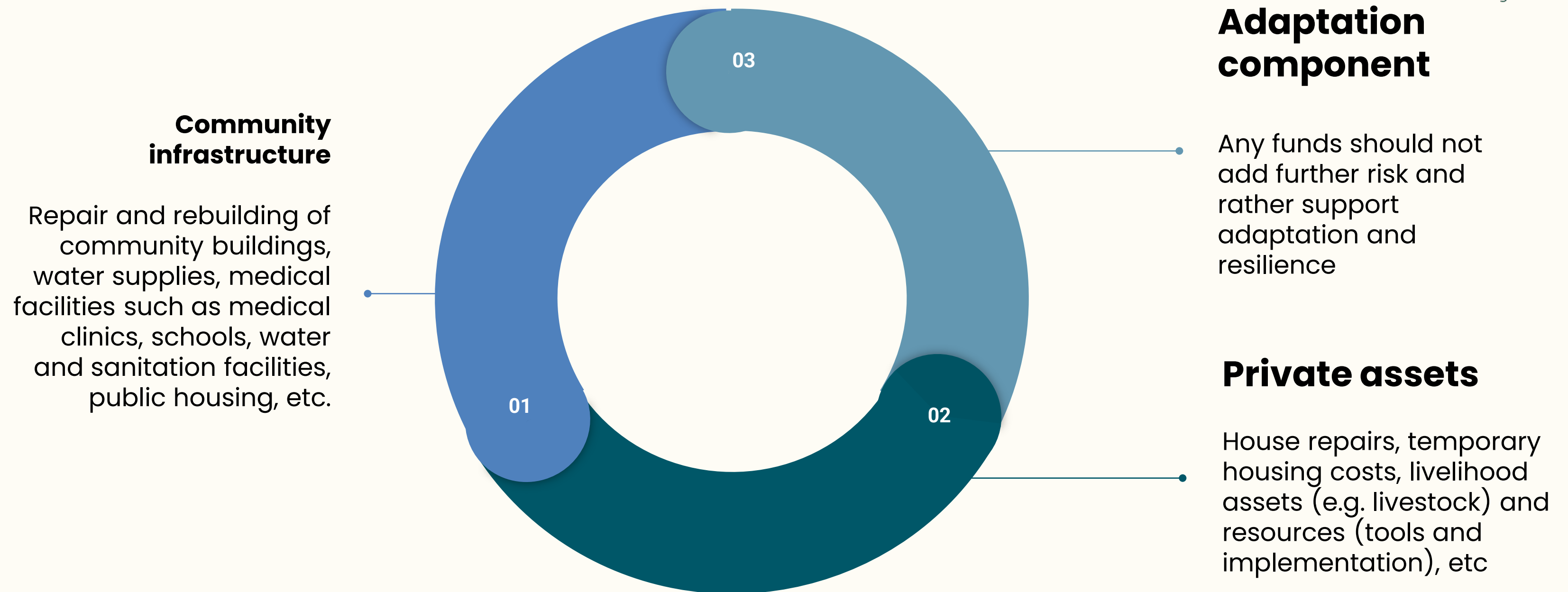
Global Shield Financing CVF & V20 Joint Multi-Donor Fund Supported Priorities



The V20 Fund under JMDF will support the following programmes to manage climate risks:

1. Loss and Damage Funding Program
2. Premium Subsidies and Capital Support
(operationalized with SMART Principles and their further evolution)
3. Off-balance sheet guarantees to reduce the cost of capital
(Accelerated Financing Mechanism)
4. Distribution channels enhancement and climate-smart insurance for micro, small and medium-sized enterprises (Sustainable Insurance Facility)
5. Slow Onset Financial Protection Risk Pool (incl. sea level rise, displacement, etc.)

Focus of V20 L&D Funding Program





Approaches & Instruments

National Level

A portrait of Julius Ng'Oma, a Black man with a short beard and mustache, wearing dark sunglasses and a white short-sleeved button-down shirt with a black and white geometric pattern. He is holding a small black microphone in his right hand. A blue lanyard with a white ID card is around his neck. The background is a large mural of two hands cupping green plants with small white flowers. A green text box is overlaid on the bottom left of the image.

Julius Ng'Oma

Coordinator, Civil Society Network on Climate Change, Malawi

Pacific Resilience Facility (PRF)

Established in 2021



OBJECTIVES

- The PRF will assist communities to finance existing and/or new community-level projects designed to better prepare them for increasing risks of disasters incl. technical assistance.
- PRF investments will create tangible gains in community resilience by focusing on climate change and disaster preparedness projects that directly interact with risk mitigation and social protection issues.

STAKEHOLDERS

- Pacific Island Forum
- Member governments – Ministries of Finance
- Donors
- Communities

COUNTRY/REGIONAL COVERAGE

- SIDS of the Pacific Island Forum:
- Cook Islands, Federated States of Micronesia, Fiji, French Polynesia, Kiribati, Nauru, New Caledonia,, Niue, Palau, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu

Shock Resilient Loans (SRL)

Since 2019



OBJECTIVES

- Enable BOAD i.e. WAEMU member states to finance additional adaptation measures through concessional loans
- Give WAEMU member states more financial leeway to carry out emergency relief and reconstruction measures in the event of a disaster by waiving repayment obligations

STAKEHOLDERS

- Financed by KfW (German Development Ministry BMZ)
- Project Partner: Banque Ouest Africaine de Développement (BOAD)
- Mediator to beneficiaries: governments of the West African Economic and Monetary Union (WAEMU) Member States
- Final beneficiaries: (poor) population of the relevant WAEMU Member State affected by natural disasters

COUNTRY/REGIONAL COVERAGE

- West African Economic and Monetary Union (WAEMU) Member States which are
- Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Togo and Côte d'Ivoire



**Approaches &
Instruments**

Meso Level

A portrait of Viktoria Seifert, a woman with long brown hair, wearing a light blue blazer over a white t-shirt. She is holding a small black microphone with a blue light. The background is a light blue textured wall with a vertical metal strip on the right.

Viktoria Seifert

Associate Director, Disaster Risk Finance, WTW

Sustainable Insurance Facility (SIF)



THE V20 SUSTAINABLE INSURANCE FACILITY

17 November 2022



African and Asian Resilience in Disaster Insurance Scheme (ARDIS)

Since 2018



OBJECTIVES

- Protect MFIs from climate shocks in order to maintain their operations and thus support clients in recovery

STAKEHOLDERS

- VisionFund International
- Global Parametrics
- Natural Disaster Fund (NDF)
- InsuResilience Investment Fund (IIF)
- Beneficiaries: microfinance institutes (mainly women in the agricultural sector)

COUNTRY/REGIONAL COVERAGE

- 27 countries inter alia:
- Kenya, Mali, Malawi, Zambia, Mexico, Dominican Republic, Guatemala, Honduras, Bolivia, Ecuador, India, Myanmar, Philippines, Sri Lanka, Vietnam



Approaches & Instruments

Micro Level

A woman with dark curly hair, wearing a blue blazer over a pink patterned top and a black necklace, is speaking into a microphone. A white flower is in her hair. The background is a dense green hedge.

Salote Nasalo

Researcher at the University of the South Pacific (USP)

Pacific Insurance & Climate Adaptation (PICAP)

Since 2020



OBJECTIVES

- The overall objective of the Programme is to improve the financial preparedness of Pacific households, communities, small businesses, organizations and governments towards climate change and natural hazards through a combination of stakeholder engagement, co-creation of solutions, awareness and capacity building, innovative financing options and digital linkages – with a robust interface to the 2030 Sustainable Development Goals.
- PICAP aims to develop affordable disaster risk financing instruments, including parametric and weather index-based climate risk insurance.

STAKEHOLDERS

- Beneficiaries: Households and MSMEs in agriculture, fisheries, retail and tourism sectors with specific focus on women, youth, migrants and social welfare beneficiaries.
- Donors: Ministry of Foreign Affairs and Trade – New Zealand, Department of Foreign Affairs and Trade – Australia, Indian UN Development Partnership Fund administered by the UN Office for South-South-Cooperation Government of Luxembourg
- Implementers: UN Capital Development Fund, United Nations University – Institute for Environment & Human Security, UN Development Programme

COUNTRY/REGIONAL COVERAGE

- Fiji
- Vanuatu
- Tonga

To be expanded to

- Samoa
- Solomon Islands
- Kiribati
- Papua New Guinea

Building Resilient, Adaptive and Disaster-Ready Communities (B-READY)

Since 2019



OBJECTIVES

- Improve resilience and preparedness of target group by capacity building and cash transfers for pre-emptive action before the disaster hits shifting from post-disaster response to anticipatory action

STAKEHOLDERS

- OXFAM
- Plan International
- Global Parametrics and Natural Disaster Fund (NDF)]
- Dutch Relief Alliance (DRA)
- Beneficiaries: households, municipalities, and local communities

COUNTRY/REGIONAL COVERAGE

- Philippines
- Indonesia
- Sudan



FINANCING INNOVATIVE APPROACHES TO ADDRESS LOSS AND DAMAGE IN VULNERABLE COUNTRIES



Thank You

All slides will be available at climate-insurance.org

