WORLD BANK GROUP

DISASTER RISK FINANCING & INSURANCE PROGRAM

Supporting countries to manage the cost of disaster and climate shocks

$50 billion to $200 billion increase in average annual weather-related losses & damages alone since the 1980s.

By 2050, the average annual economic losses from Asian flood disasters could surge to $500 billion.

100 million people could be pushed into poverty by climate change over the next 15 years.
Financial losses from natural disasters continue to rise with developing countries and their low-income populations experiencing the greatest impacts.

But the cost of disasters does not have to be so devastating. Financial protection policies and instruments help governments be effective risk managers, rather than emergency borrowers - protecting livelihoods, investments, and development progress.

Research has found that Mexico’s natural disaster fund FONDEN has increased post-disaster local GDP by 2-4%.

Recent analysis has shown that the greater the amount of losses that are insured, the lower any subsequent declines in growth and GDP losses will be.

The Disaster Risk Financing & Insurance Program leads the dialogue on financial resilience as a component of the WBG’s support to vulnerable countries on better managing disasters and climate shocks.
**HOW WE SUPPORT GOVERNMENTS**

**DRF for Rapid Response.** Support sovereign and sub-sovereign governments to better plan for and implement mechanisms to provide rapid access to money following disaster shocks.
- Since 2008, 9 countries were provided with contingent credit worth US$2.3 billion.
- Lao PDR set up a new State Reserve Fund to manage the impact of disasters.
- Vanuatu received $1.9 million from PCRAFI two weeks after Tropical Cyclone Pam struck in 2015.

**DRF for Budget Protection.** Support governments to become proactive financial risk managers to meet the cost of disasters and climate shocks.
- Colombia, Kenya, Indonesia, Peru, the Philippines, Serbia, and Vietnam have developed or are working towards national financial protection strategies.
- Colombia insured $38 billion of new road infrastructure built through public-private partnerships.
- Uruguay received US$200 million in contingent investment to support its energy price stabilization fund.

**DRF for Resilient Livelihoods.** Support governments to integrate social protection schemes in its DRF strategy to offer rapid and timely assistance to vulnerable households affected by shocks.
- In 2015 the Government of Kenya scaled up one of its safety net programs at the early signs of a drought providing cash transfers directly into the bank accounts of over 200,000 households in addition to those that already received regular cash assistance.

**DRF for Agriculture.** Support countries to implement sustainable, cost-effective public private partnerships in agricultural insurance as part of broader agricultural risk management.
- 34 million Indian farmers and 15,000 Mongolian herder households are benefiting from more effective insurance cover.
- Kenya launched the Kenya National Agricultural Insurance Program, a Public Private Partnership to protect vulnerable farmers and pastoralists against production shocks from droughts and floods.

**DRF for Homeowners and Small Businesses.** Support governments to strengthen supervision and promote the development of private property catastrophe risk insurance markets.
- Morocco is revising its catastrophe risk insurance law as a part of national risk management reform.
- Peru and the Philippines are exploring the establishment of insurance pools to support the expansion of private catastrophe risk insurance market.

**DRF Analytics.** Provide public officials with the information and tools to make informed financial decisions on managing disaster and climate risks.
- Developed a framework for cost-benefit analysis of national DRF strategies.
- Analytical support to Central American countries considering joining the Caribbean Catastrophe Risk Insurance Facility (CCRIF)."

**DRF Global Policy, Knowledge, and Training.** Leverage the WBG’s convening power to invest in policy advice and knowledge that supports policy reforms and financial instruments.
- Developed a DRF training program, with a pilot reaching over 200 participants in 11 countries;
- Providing ongoing policy advice to APEC; the G7 InsuResilience initiative; the G20 Presidency; the UNSG’s High Level Panel on Humanitarian Financing; the V20; and the Sendai Framework for DRR.
- The “Understanding Risk & Finance Conference” in Addis Ababa in November 2015, was attended by 450 policy-makers and experts from 38 countries across Africa.
The Disaster Risk Financing & Insurance Program brings the financial, analytical, advisory and convening services of the World Bank Group to governments, businesses and households in more than 60 countries.

Over 360 million people protected through World Bank Contingent Financing.

21 Small Island Developing States can access catastrophe risk insurance markets by working together.

21 private insurance companies brought into new or strengthened catastrophe risk insurance markets in the Pacific, India, and Mongolia.

1000+ participants at over 30 international policy discussions and knowledge sharing events, and more than 15 trainings and local workshops organized or supported in 2015.

We connect financial expertise with risk management across many sectors to bring vulnerable countries comprehensive solutions to become more effective risk managers.

DRFIP is a partnership between the World Bank’s Finance and Markets Global Practice and the Global Facility for Disaster Reduction and Recovery (GFDRR). We work in close coordination with the Social, Urban, Rural and Resilience Global Practice; and the World Bank Treasury; as well as many other partners across the WBG for our different areas of support.

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