Press release

InsuResilience side event: InsuResilience delivers!

Marrakesh, 14 November 2016

At the global climate conference in Marrakesh, the G7 states increased their commitments for expanding climate risk insurance from USD 420 to 550 million. The Netherlands is also supporting the InsuResilience Initiative. The initiative is seeking to enable 400 million poor and vulnerable individuals in developing countries to obtain insurance cover against climate risks such as droughts, storms and floods by 2020.

‘The unavoidable consequences of climate change pose the threat of more frequent and stronger hurricanes, floods and droughts in future. These threaten the lives of millions of poor and vulnerable people in developing countries. Climate risk insurance enables these countries to make claims for payouts. They are no longer forced to act as petitioners. In the event of a catastrophe, affected countries can quickly receive payouts, enabling them to rapidly help people in need,’ explained Thomas Silberhorn, German Parliamentary State Secretary, on Monday at an InsuResilience event in Marrakesh.

Parliamentary State Secretary Silberhorn announced that BMZ would be contributing an additional EUR 40 million to expand climate risk insurance schemes. In future, insurance solutions will increasingly also benefit humanitarian actors such as the World Food Programme, for example via the African Risk Capacity (ARC) Insurance Company Limited. Climate risk insurance offerings are also to be expanded to Asia as well as to the agricultural sector.

Background

The InsuResilience Climate Risk Insurance Initiative was launched at the G7 Summit in June 2015. The initiative is seeking to enable 400 million poor and vulnerable individuals in developing countries to obtain insurance cover against climate risks by 2020. At the 2015 Paris climate conference, the G7 states pledged to provide a rapid action package of climate insurance risk solutions worth USD 420 million. Some of the initial successes have already been seen in 2016:

The expansion of the African Risk Capacity programme has provided insurance to seven African countries to cover damage from droughts. Soon, African countries will also be able to get cover against storm and flood damage.

In the immediate aftermath of Hurricane Matthew, the Caribbean Catastrophe Risk Insurance Facility (CCRIF) provided some USD 29.6 million in total payments within two weeks to Haiti (USD 23.4 million) as well as to Barbados, St. Lucia, St. Vincent and the Grenadines. This insurance is being expanded to Central America with the help of InsuResilience. Nicaragua is the first country to take up insurance.

In 2016, a new Pacific Catastrophe Risk Insurance Company (PCRAFI) was launched. Since November it has been providing island states with insurance cover against tropical storm damage. The German contribution amounts to EUR 15 million.