

GLOBAL INDEX INSURANCE FACILITY SPECIAL EDITION COP26



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BMZ INTERVIEW

Interview with Mr. Martin Kipping: Head of Climate Policy Division at the German Federal Ministry for Economic Cooperation and Development (BMZ).

Martin Kipping
Head of Climate Policy Division at the German Federal Ministry for Economic Cooperation and Development (BMZ).

Mr. Martin Kipping shares his views with the Global Index Insurance Facility (GIIF) on COP26 and Germany's commitment to strengthening the resilience of poor and vulnerable people through climate and disaster risk finance and insurance solutions.

Federal Ministry for Economic Cooperation and Development

Photo Provided by: Antje Kaestner / BMZ

Mr. [Martin Kipping](#), Head of the Climate Policy Division at the German Federal Ministry for Economic Cooperation and Development ([BMZ](#)) shares his views with GIIF on COP26 and Germany's commitment to strengthening the resilience of poor and vulnerable people through climate and disaster risk finance and insurance solutions. The BMZ has committed some 800 million euros for the [InsuResilience Global Partnership](#) and its precursor, the G7 InsuResilience Initiative, since 2015. This year, GIIF received an additional 10 million euros (making the total to date 30 million euros) from Germany for the Africa Inclusive Insurance Program. Click [here](#) to read the full interview.

AFRICAN RISK CAPACITY (ARC) INTERVIEW

During an exchange with GIIF, the Africa Risk Capacity Group showcases its lessons learnt in implementing continent-wide climate risk resilience initiatives for millions of Africans.

Lesley Ndlovu
CEO African Risk Capacity Insurance Company Limited

Lesley Ndlovu is an executive with extensive international experience in insurance and investment management. A graduate of Oxford University and the European Institute of Business Administration (EQUIS) in France, he is currently the CEO of the African Risk Capacity (ARC) Ltd. ARC Ltd is a specialized insurance company that provides parametric insurance coverage to African countries against extreme weather events and natural disasters.

African Risk Capacity

Photo Credit: ARC Group

[The African Risk Capacity \(ARC\) Group](#) is a Specialized Agency of the African Union established to help African governments improve their capacities to better plan, prepare, and respond to extreme weather events and natural disasters. Through collaboration and innovative financing, the ARC Group enables countries to strengthen their disaster risk management systems and access rapid and predictable financing when disaster strikes to protect the food security and livelihoods of their vulnerable populations.

The Global Index Insurance (GIIF) team caught up with the [ARC Limited](#) CEO, [Mr. Lesley Ndlovu](#) to reflect on key milestones in 2021 and the main takeaways from COP26. Being one of them, ARC's work with the donor community to create a dedicated fund to provide subsidies that would allow African countries to purchase insurance coverage and benefit from the risk transfer solution that the company provides. To put this in perspective (in 2020) ARC Limited was able to pay out \$ 23.5 million to

GIIF PROGRAM HIGHLIGHTS 2021

A Review of the Global Index Insurance Facility Highlights before closing this 2021.



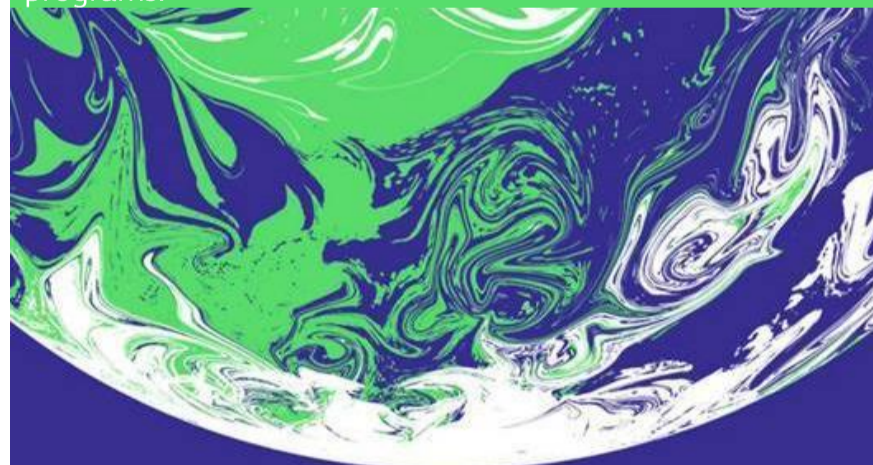
Photo Credit: Mohammad Al-Arief; Sarah Farhat; Peter Kapuscinski; Curt Carnemark; Scott Wallace / World Bank Group

We would like to offer you a summary of our main activities in 2021 and their current status. In addition to the launch of the new "Africa Inclusive Climate Risk Insurance Program", which will expand the current scope of our work and seek to enhance the penetration of inclusive climate risk insurance products in the Africa region, we hope that in this synopsis you will find more information about GIIF's operational results, technical assistance and capacity building work, research studies, training, knowledge exchange, as well as other collaboration efforts with WBG programs.

Despite the effects of COVID-19, the Program successfully delivered significant results and it continues building a robust pipeline to strengthen this business line to further develop the markets. Since the launch of GIIF, more than 10.5 million agriculture insurance policies have been issued, with an estimated outreach of 53 million beneficiaries globally. We recognize and appreciate all the hard work that our clients do, and we are grateful for the continuous support of our donors. Click [here](#) to access a recap of 2021.

COP26 CURATED RESOURCES

Resources: Relevant announcements and launched programs.



COP26 RESOURCES

COP26 was a platform for a global watershed moment for collective introspection on much-needed action and investment to mitigate the effects of climate change: especially on the most vulnerable. At GIIF, we have prepared a round-up of resources to give a flavor of the flagship sessions organized and initiatives launched to drive action and maintain momentum on climate action beyond COP26.

Curated and designed by GIIF

The major outcome of [COP26](#) was the signing of the [Glasgow Climate Pact](#) on the final day of COP26. Prior to that 9 multi-lateral

the Government of Senegal for drought relief – representing one of their largest and quickest payouts. Click [here](#) to read the full interview.

INTERVIEW WITH MARS FOOD, A MULTINATIONAL MANUFACTURER

'Cocoa Soil Moisture Index Agriculture Insurance' project and a conversation with Fay Fay Choo, the Asia Director for Cocoa Sustainable Sourcing, PT Mars Symbioscience Indonesia



Photo Credit: Mars

Despite the importance of the agricultural activities to the Indonesian economy ([13%] of GDP), livelihoods ([34%] of labor force), food security, and poverty reduction, the multiple risks associated with agricultural production – coupled with the general lack of knowledge and outreach to farmers/agriculture sector by financial institutions – have limited the needed levels of investment flows into the sector.

Agri-lending in Indonesia accounts for a small portion of total lending, at [5.8%] and the agriculture insurance penetration is less than 1%. The risks aversion towards lending to farmers are also well documented, including price fluctuations and adverse weather risk – as well as logistical difficulties and high transaction costs associated in reaching farmers/rural agriculture areas. The project focuses mainly on addressing the adverse weather risk impacting farmers to encourage greater investment. Click [here](#) to join us on a dialogue with [Ms. Fay Fay Choo](#), the Asia Director for Cocoa Sustainable Sourcing at [Mars Food](#), who provided an overview of the activities to date and their plans for their future involvement in this business line.



development banks including the World Bank Group signed a joint [statement](#) to increase 'nature-positive' investments. Along the margins of the main COP26 meetings, several flagship sessions were organized, and initiatives launched to drive action and maintain momentum on climate action.

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BLOG: COP26 & INCREASED CLIMATE FINANCE FOR ADAPTATION

A Call for Increased Climate Finance for Adaptation

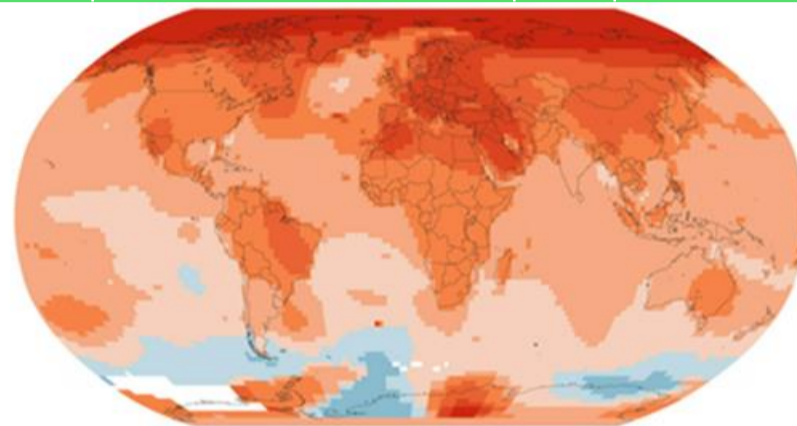


Photo Credit: Veronica Penney / NASA Goddard Institute for Space Studies

Under a scenario with 1.5°C of warming above preindustrial levels by 2030, almost half of the world's population—approximately **5.0 billion people**—could be exposed to a climate hazard related to heat stress, drought, flood, or water stress in the next decade. Today, this figure is **3.3 billion people**.

There is an urgent need to focus on boosting resilience in both cities and rural areas. During the just-ended COP26, the [World Bank Group](#) turned the spotlight on its Climate Change Action Plan 2021-25 which prioritizes a green, resilient, and inclusive development (GRID) approach for maximizing the impact of climate finance. Read the full [blog](#) here.

We are grateful for the efforts of our implementing partners who, despite the ongoing challenges related to the pandemic, continue to deliver significant results on the ground. We are also thankful for the continuous support of our donors and the InsuResilience Partnership who play a significant role in the direction of GIIF. Its current success would not have been achieved without their contributions. On behalf of the GIIF team, we wish you and your loved ones a Happy Holidays and a peaceful, healthy, and prosperous New Year.

ABOUT GIIF

The Global Index Insurance Facility (GIIF) is a dedicated World Bank Group's program that facilitates access to finance for smallholder farmers, micro-entrepreneurs, and microfinance institutions through the provisions of catastrophic risk transfer solutions and index-based insurance in developing countries. Funded by the European Union, the governments of Germany, Japan, and the Netherlands, GIIF has facilitated approximately 10.5 million contracts, covering close to 50 million people, primarily in Sub-Saharan Africa, Asia, and Latin America and the Caribbean.

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