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Macro solutions to micro needs: Linking disaster risk finance instruments to national social protection systems

26 October 2022

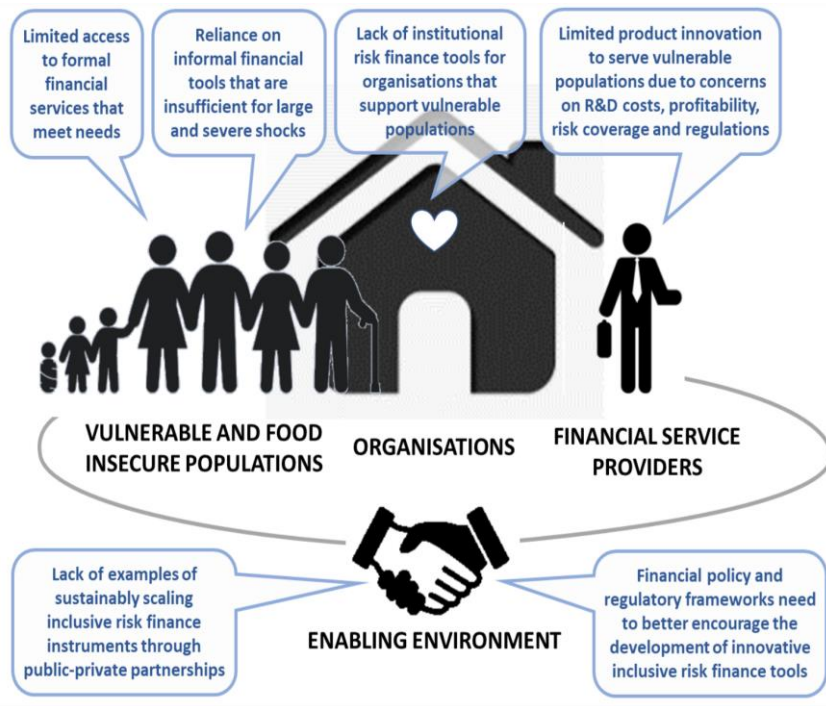




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Challenges for inclusive risk finance in LAC



WFP support in 2022



Map not to scale

UN World Food Programme Risk Finance Strategy for Latin America and the Caribbean

Enhancing the resilience of the region's most vulnerable and food insecure through integrating risk finance into sustainable and scalable policies, programmes and partnerships



Caribbean Multi-Country Office



WFP's Disaster Risk Finance Strategy for the Caribbean

ADVOCACY

Partnerships to advocate for holistic, risk-layered financing approaches in countries' risk finance portfolios that consider social protection needs



ACTION

Technical assistance to governments to make social protection systems more shock-responsive through sustainable risk financing instruments



Pilot with the Government of the Commonwealth of Dominica and Government of Belize to link parametric insurance to social protection

Preparedness



Investments in national social protection systems:

- Information management, targeting, delivery mechanisms, coordination, legislation/policy, finance



Subsidize insurance premium in exchange for preparedness investments:

- Policy under the Caribbean Catastrophe Risk Insurance Facility is "topped up"
- One layer of risk financing



Response



Portion of Insurance payouts go to cash transfers to impacted populations:

- Activation of response protocols



Shock occurs:

- Insurance policy is triggered



Instruments: Catastrophe Fund, Sovereign Insurance, Contingency Loans & lots of DRM

Application: Disaster Relief; Search & Rescue; Social Assistance & Protection; Restoration??

Challenges: Policy Wording, Risk Profile, Identification of Beneficiaries, Frequency and Severity of Events; \$\$\$\$

Climate Adaptation: RETURN to “OLD SCHOOL”



Lessons Learned over the past 15 years 2007 – 2022

Keeping premiums low

Being flexible and responsive to members' needs;

Stakeholder consultations and engagement is a continuing objective

Donor support is invaluable

Success depends heavily on the relevant knowledge and experience of decision makers and key technical personnel

Stakeholders' interests must be represented

Macro, Meso and Micro parametric insurance is relevant and complementary

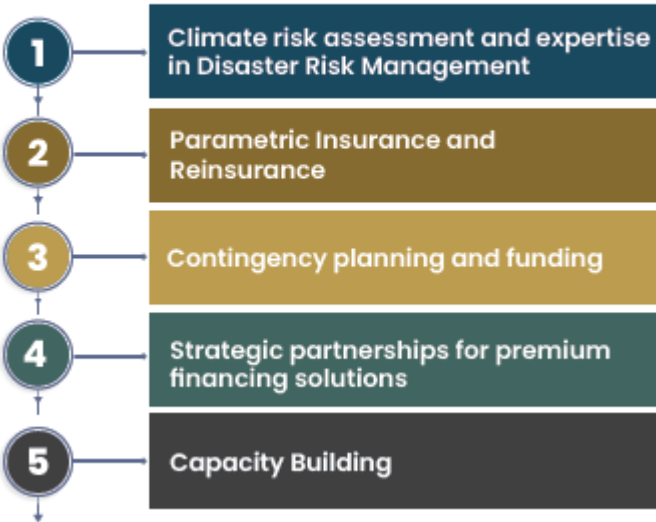
Third-party monitoring and evaluation can help to broaden or streamline organizational focus as necessary

Building capacity through training and technical assistance programmes to enhance understanding of insurance, CCRIF, DRF and risk transfer in general

Insurance is a form of Climate Change Adaptation



WE SPECIALISE IN



OUR THREE LEVELS OF ACTION



OUR IMPACT



35 MEMBER STATES



>\$1bn
RISK TRANSFERRED



US\$125m
PAID OUT



100 MILLION
AFRICANS COVERED



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Panel Discussion and Q&A

Please ask our panellists your questions!

International Conference on Inclusive Insurance 2022 – Kingston, Jamaica

26 October 2022 – Day 3:

Parallel session 10

14:00 – 15:30

Hosted by the WFP

Macro solutions for micro needs - linking disaster risk finance instruments to national social protection systems



SPEAKER

Kathryn Milliken

Regional Climate Advisor,
World Food Programme
Panama, Barbados



SPEAKER

Nicholas Grainger

Programme Policy Officer,
World Food Programme,
Barbados



SPEAKER

Alma Gomez

Supervisor of Insurance and
Pensions at the OSIPP,
Belize



SPEAKER

Isaac Anthony

CEO CCRIF SPC, Saint
Lucia



SPEAKER

David Maslo

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