What is the Global Shield against Climate Risks?

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Why We Need the Global Shield Against Climate Risks

• Climate change and its related losses have **eliminated one fifth of the wealth of the V20** over the last two decades.

• In the V20, total debt has **sharply increased over the last years** while at the same time, investments in sustainable infrastructure need to be scaled up to meet the UN 2030 Sustainable Development Goals and limit global warming to 2°C.

• The **climate crisis is perpetuating the debt crisis.** As disasters strike with increasing frequency and intensity, countries are forced to borrow to replace the bridge and home or the job that was lost.
A Joint V20 and G7 Ambition for the Global Shield

Global cooperation to substantially increase financial protection against climate risks

Inclusive and systematic In-Country Processes to assess vulnerabilities and close protection gaps

A global and flexible Financing Structure to mobilize needs-based technical and financial support for countries

Systematic, coherent and sustained approach to financial protection

More and better pre-arranged and trigger-based finance

Immediate availability of resources in response to disasters, in the most efficient, effective, and fastest way for the economy, businesses, and communities.
Global Shield Launch at COP27
Pledges to the Global Shield since COP27

- Germany €170 Million
- France €20 Million
- Ireland €10 Million
- Denmark €4.7 Million
- Canada €4.9 Million
- USA €22.7 Million
- Japan €6.9 Million
- European Union €30 Million

~ €270 million

Pledges for the GS Financing Structure & complementary CDRFI programmes
The Global Shield closes protection gaps

Active protection identified by stocktake

Missing protection identified from gap analysis

Protection gaps and investment opportunities prioritised through In-Country Process
The Global Shield In-Country Process

Guided and facilitated by the In-Country Coordination (government focal point + support structure)

Initiate In-Country Process → Stock-take → Gap Analysis → Request for CDRFI Support → Tailoring support package → Implementation of support package

The Role of Financial Supervisors and Financial Regulators

Create an enabling environment for climate risk insurance
Engage and enable new stakeholders
Raise awareness about climate risk insurance among market actors
Help with consumer adaptation for new insurance products
An inclusive, country-led process to inform country priorities based on vulnerable people’s needs

Inclusive multi-stakeholder dialogue in Ghana
July 2023
Global Shield Financing Facility (GSFF)

- **Hosted:** World Bank
- **Implementation partners:** Partners of World Bank financed projects as by project design, incl. national governments, NGOs, risk pools, private sector
- **Organizations eligible for Transfer Outs:** MDBs, UN organizations (projects then must follow the policies of the respective agency)

Global Shield Solutions Platform (GSSP)

- **Hosted:** Frankfurt School
- **Implementation partners:** Local & international public and private sector companies/institutions, humanitarian institutions, academia, risk pools, bilateral/national development banks, development & technical assistance agencies, CDRFI service providers, impact investment vehicles, CSOs/NGOs

CVF-V20 Joint Multi Donor Fund (V20JMDF)

- **Hosted:** UNOPS
- **Implementation partners:** UN organizations, local & international private sector, NGOs, humanitarian institutions, academia, national and sub-national governments
Global Shield Pathfinder Countries

Bangladesh  Costa Rica  Ghana  Jamaica  Malawi  Pakistan  Philippines  Senegal

Pacific Small Island Developing States
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