

MODELLING FOR RISK FINANCE - AS A PUBLIC GOOD

ADB Regional Workshop on
Climate Finance

Delhi, 15 February 2024

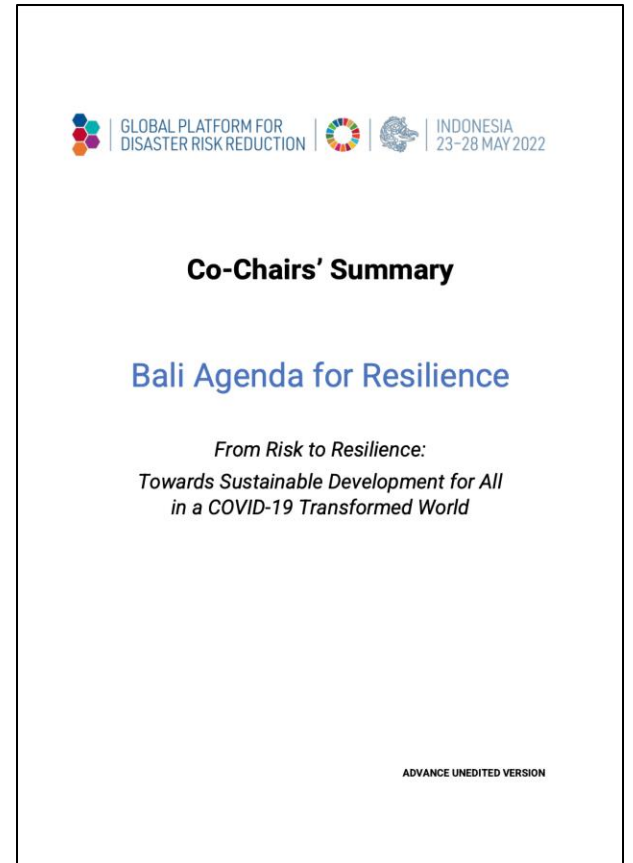


The need for risk insight as a public good

Information is a key challenge in the race to resilience



Increased awareness and knowledge of climate risks is a key step in closing the protection gap and moving from disaster response to risk prevention.



Quote: UNDRR, Co-Chairs' Summary Bali Agenda for Resilience 2022

Illustration source: UNDRR, Global Assessment Report 2019

The Report of the Midterm Review
of the Implementation of the
Sendai Framework for Disaster
Risk Reduction 2015–2030



Sendai mid-term review

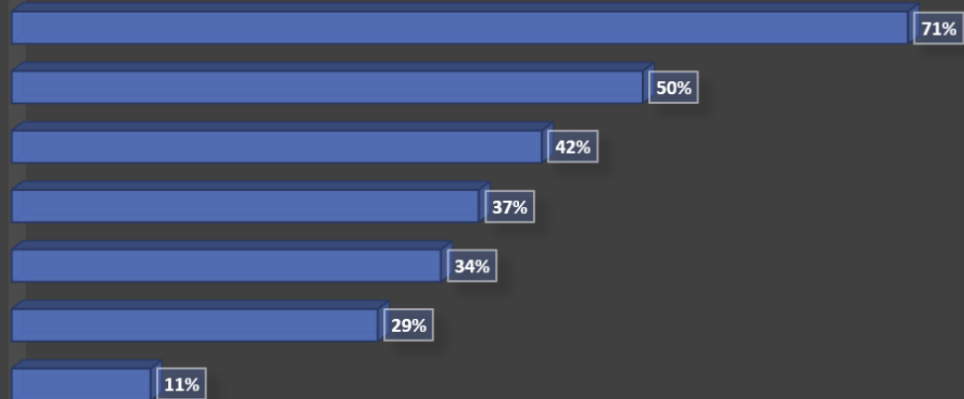
May 2023

“Less than half of the countries reporting against Sendai Framework targets indicate having fit-for-purpose, accessible and actionable disaster risk information.”

SEADRIF poll of ministries

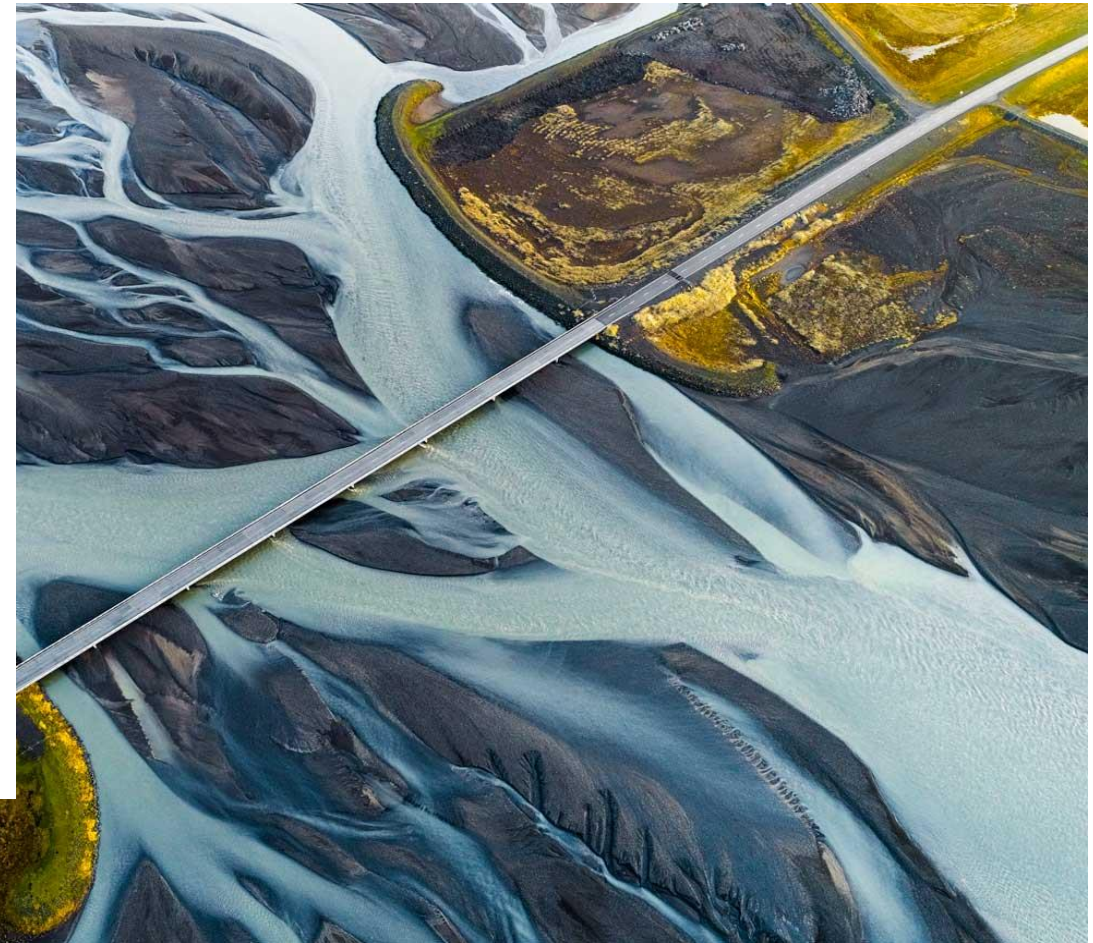
June 2020

Q2: WHICH OF THESE CAPABILITIES DO YOU THINK MAY BENEFIT FROM EXTERNAL SUPPORT OR GREATER CAPACITY BUILDING? (SELECT TOP THREE)



Q2: Responses:

- Risk Modelling capability (71%)
- (Re)insurance broking (intermediary) capability (50%)
- Program management capability (42%)
- Actuarial capability (37%)
- Claims Management capability (34%)
- Audit and Compliance capability (29%)
- Account Management capability (11%)



Principles of risk modelling for public good

AUTONOMY

Countries lead and manage strategies appropriate to their needs and create their own view of risk.

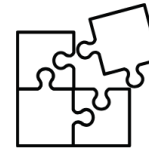


LOCAL KNOWLEDGE

Countries' risk insights are built on local knowledge, expertise and lived experience.

PARTNERSHIPS

To integrate local understanding with insights provided by global partners.



MULTI-SECTOR

Private sector risk analytics capability and finance combined with public sector programmes.

Solution: Public-private collaboration in risk insight

Climate vulnerable countries have signalled their interest in building local capabilities in risk understanding.



The **Global Risk Modelling Alliance** programme offers to support sovereigns in growing this capability.



Insurance industry value

- Decision-making under conditions of uncertainty
- Portfolio risk management
- Financial metrics relevant for both investment and risk transfer
- Open risk modelling platform and open data standards
- Societal value



What is the Global Risk Modelling Alliance (GRMA) Programme?



A unique demand-driven technical assistance programme opening up private and public risk expertise, helping to build local expertise and empower communities to become more climate and disaster-resilient.

The GRMA team works side by side with local officials and experts in ministries and mayoral offices, to **co-develop and enhance access to climate and disaster risk insight**, using open data standards and best practices.

GRMA partners



Funded by



Hosted by



Managed by



Supported by IDF member companies:

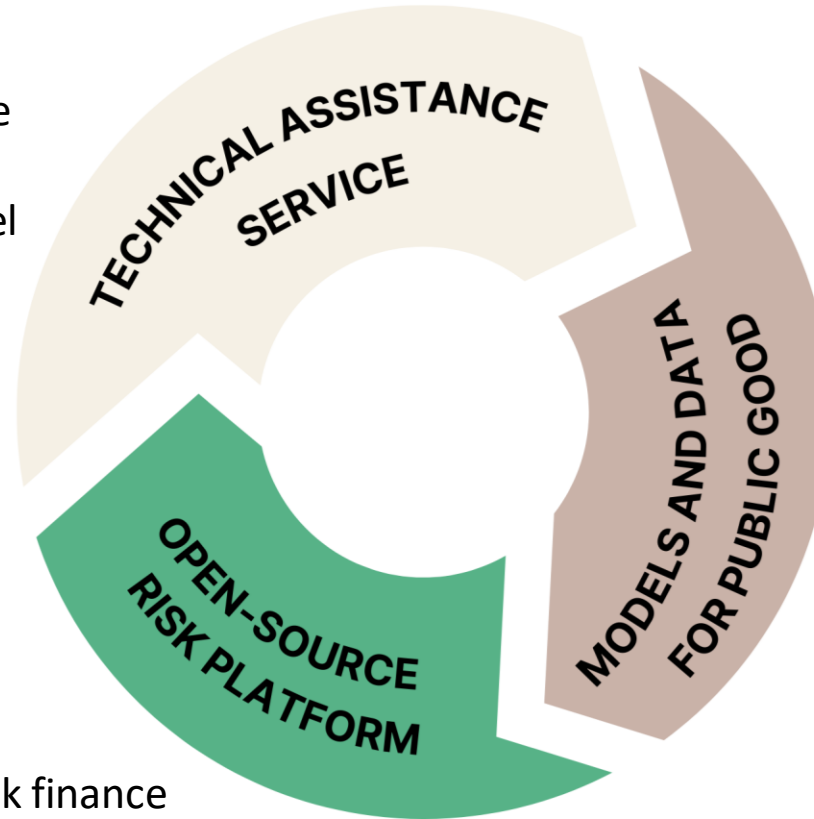




Three elements of the GRMA

GRMA: capability development in risk insight

- Public and private sector expertise
- Co-defined risk projects
- Commissioning & advice for model development



- Filling strategic model/data gaps
- Translating existing research
- Emphasis on local data

- Designed for risk finance
- Open source, open data standards
- A community of model providers

GRMA Countries

Costa Rica:

- 10/22 First virtual meeting
- 06/23 GRMA Expression of Interest
- 10/23 GRMA Kick-off Workshop

Pakistan:

- 10/22 GRMA Application
- 11/22 Approval by GRMA SC
- 11/22 Announcement at COP27
- 12/22 GRMA Kick-off Workshop
- 11/23 GS/GRMA Workshop
- 12/23 Publication Call for Proposal

Ghana:

- 10/22 Scoping mission
- 03/23 GS & GRMA Expression of Interest
- 07/23 GS/GRMA Workshop

Zambia:

- 09/23 GRMA first virtual meeting

Niger:

- 01/23 GRMA Expression of Interest
- 02/23 In-Country Consultations
- 06/23 Approval by GRMA SC
- 07/23 GRMA Kick-off Workshop

Nigeria:

- 07/23 GRMA Expression of Interest
- 11/23 GRMA Kick-off Workshop

Madagascar:

- 01/23 GRMA Expression of Interest
- 02/23 GRMA Kick-off Workshop
- 08/23 Approval by GRMA SC*
- 09/23 GRMA Technical Workshop
- 01/24 Publication Call for Proposal



GS Pathfinder Country

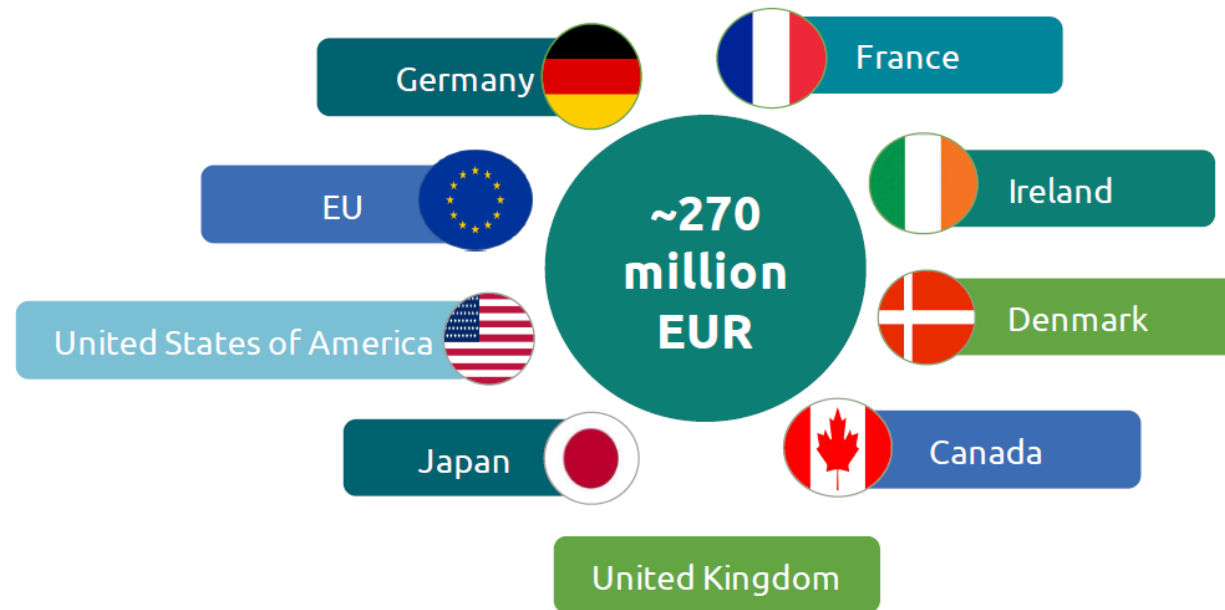


GRMA Partner Country

* includes request for additional support under Global Shield

Global Shield against Climate Risks

- Initiated by the G7 countries in agreement with the V20 group.
- Officially launched at the COP27 climate conference.
- Gathers activities in the field of climate risk finance and preparedness under one roof.



Pledges and support to the Global Shield

