



## Way forward

The Principles reflect emerging experience of members' efforts for the Partnership to promote for implementation of climate and disaster risk finance and insurance solutions. Based on the roles of the Partnership's members as agreed upon in the InsuResilience Concept Note, and the aspirational character of the Principles, they serve as a guide for all actors that commit to the Partnership.

Specifically,

- › **Governments**  
Consider the Principles in identifying appropriate financial mechanisms to address risks in their countries, especially with regard to the poor and vulnerable population.
- › **International development partners**  
Recognize the Principles in the delivery of strategic development priorities around protection of poor and vulnerable populations and leverage ongoing initiatives to maximize impact.

- › **Civil Society Organizations (CSO) and Non-governmental Organizations (NGO)**  
Promote the Principles in empowering communities to use 'ground-truth' activities of the Partnership and apply principles where CSOs contribute to solutions directly in their implementation.

- › **Private sector**  
Consider the Principles in shaping product innovation, supporting market development and contributing to public private partnerships.

All members and stakeholders should furthermore engage in sharing experiences and learnings from applying the Principles, including through the Partnership's structures such as the working groups. This is also important to allow for the possibility to further refine the Principles and their interpretation over time.

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## Background of the Principles

The InsuResilience Pro Poor Principles are aspirational principles towards the fulfillment of which all members of the Partnership should strive. Similar to other related frameworks mentioned in the preamble, the InsuResilience Principles are a set of voluntary principles for incorporating a people-centered approach to Climate and Disaster Risk Financing and Insurance Solutions.

They were developed building on an inclusive and consensus-based approach, encompassing a call for submissions, different webinars and a workshop. The Principles originate sequentially and intertwine, thus highlighting that various aspects related to the planning and implementation of Climate and Disaster Risk Financing and Insurance Solutions require different angles to ensure cohesive operational frameworks.

By empowering all stakeholders to understand, contribute to, and implement a bottom-up approach to risk financing, the Principles aim to support, enable and facilitate long-term resilience.

They do so by aiming to enhance the combination of risk financing solutions and embedding them into comprehensive risk management strategies, thereby simultaneously fostering disaster risk reduction, adaptation and broader development efforts. As such, they should also provide a frame of reference for designing and implementing risk financing solutions that correspond with a people centered approach. Stakeholders may consider the further operationalization of the Principles individually and/or collectively by developing guidelines or checklists for implementation that enable the Partnership's members to take and demonstrate action.



InsuResilience  
GlobalPartnership

## Pro-Poor Principles of the InsuResilience Global Partnership







## Preamble

The InsuResilience Global Partnership for Climate and Disaster Risk Finance and Insurance Solutions was launched at the 2017 UN Climate Conference in Bonn and has gathered support from G20 and V20 countries, international development partners, academia, civil society and the private sector. The Partnership aims to strengthen the resilience of developing countries and protect the lives and livelihoods of poor and vulnerable people against the impacts of disasters.<sup>1</sup> To reach these objectives, the Partnership is taking a principled approach that puts peoples' needs at the centre of climate and disaster risk finance and insurance.

The InsuResilience Pro-Poor Principles presented here strive to align all partners, who will endeavor to meet them in their objectives related to driving forward the ambitious agenda of the Partnership. They will build on the momentum for improving the resilience impact for vulnerable groups and communities through a people centered approach.

The following Principles distill experience, evidence and good practice in realizing climate and disaster risk finance and insurance solutions that increase the resilience of poor and vulnerable people.<sup>2</sup> The Principles align with, and promote a human rights based approach to climate and disaster risk finance (both in terms of their attainment as well as the process requirements indicated by a such an approach), and aim to actively support endeavors

for more gender responsive disaster risk financing mechanisms. The Principles are aspirational and share emerging experiences of Members' efforts to embed a people-centered approach within their respective operations, thereby outlining ways to contribute to the Partnership's objective.

Financial protection is only one component of a comprehensive risk management solution. The Principles work in parallel with those from other initiatives, and enhance existing frameworks promoting proactive risk management, including the Sendai Framework for Disaster Risk Reduction, the Global Facility for Disaster Reduction and Recovery (GFDRR), the Insurance Development Forum (IDF), the Initiative on Climate Risk Early Warning Systems (CREWS), the UN Climate Resilience Initiative A2R (Anticipate, Absorb, Reshape), the International Strategy for Disaster Reduction (UNISDR) and the UN Principles for Sustainable Insurance (PSI).

In order to harness the full support of all stakeholders, the Principles were developed building on an inclusive and consensual approach, integrating the perspectives of Partnership members. Their promotion, use, and further development by all stakeholders will be crucial to sustain and drive forward the success of the Partnership.

## 1. Impact



Create positive and lasting change for poor and vulnerable people.

### Sub-principles

- › **Increase resilience**  
Increase resilience of people, businesses, and governments, and enable equitable economic development through financial protection strategies and solutions.
- › **Tailor to contexts**  
Build solutions that effectively address the risk exposure and vulnerabilities at the individual, local and regional levels, taking into consideration differentiated gender realities.
- › **Transform institutional frameworks**  
Strengthen operational, institutional and legal frameworks – including the aspect of improved consumer protection – and increase the expertise on financial protection solutions.
- › **Monitor, evaluate, and learn from activities and results**  
Develop tools and frameworks that allow results and impact to be measurable, traceable, as well as to support ongoing learning.

## 2. Quality



Implement adequate and high quality climate and disaster risk finance and insurance solutions that address the needs of poor and vulnerable people.

### Sub-principles

- › **Embrace ongoing learning**  
Provide the best solutions, taking into account ongoing learning with a broader risk management context.
- › **Apply best techniques and practice**  
Use best available, fit for purpose techniques, for example in risk modelling, analytics, and data, with a view to enhancing affordability and preserving risk-based pricing.
- › **Ensure needs centered processes**  
Develop customized evidence-based solutions – building on impartial advice following from needs assessments – to ensure value for money.
- › **Be inclusive and gender-responsive**  
Support inclusive and gender-responsive solutions, taking into consideration affordability.
- › **Manage basis risk**  
Promote the development of approaches that minimize all forms of basis risk, including standardized assessment methodologies and disclosure, and concrete measures to manage its impacts.

## 3. Ownership

Ensure demand-driven approaches through environments that are conducive to stakeholder action, with a focus on the agency of end users.



### Sub-principles

- › **Support demand driven solutions**  
Build solution design and implementation processes on sound needs-based assessments and inspire the participation of all stakeholders.
- › **Link to existing structures**  
Embed solutions that respond to existing governance structures and market conditions, share responsibilities across stakeholders and promote collaboration.
- › **Build capacity and empower**  
Strengthen the capacities of stakeholders, and empower specifically the end users, to jointly design, decide and implement solutions.
- › **Be transparent and accountable**  
Ensure the transparency of solutions to build risk awareness and participatory risk management as well as transparent conduct in terms of funding and delivery of resources, and establish processes and mechanisms for meaningful engagement.

## 4. Complementarity



Develop a mix of synergistic climate and disaster risk finance and insurance solutions building from existing institutional frameworks.

### Sub-principles

- › **Follow evidence based decision making**  
Precede the design and implementation of disaster risk finance strategies and solutions by sound institutional and risk assessments.
- › **Manage risks comprehensively**  
Develop risk finance solutions within a comprehensive risk management strategy to jointly address different risk layers, foster adaptation efforts and harness co-benefits, leading to more resilient societies while avoiding mal-adaptation over the long term.
- › **Promote endogenous approach**  
Make use of institutions embedded within national policy frameworks and/or driven by ultimate target groups to implement risk finance and insurance solutions.
- › **Coordinate across institutions**  
Realize mechanisms and capacities that facilitate stakeholder collaboration and coordination for comprehensive risk management.
- › **Leverage resources**  
Public Private Partnerships<sup>3</sup> should guarantee that pooled resources generate synergies leading to the implementation of innovative and impactful risk finance and insurance approaches.
- › **Integrate gender frameworks**  
Mainstream gender consistently throughout climate and disaster risk management policy, project and product cycles.

## 5. Equity



Climate and disaster risk finance and insurance solutions should provide inclusive and targeted support to promote equitable growth.

### Sub-principles

- › **Leave no one behind**  
The poor and vulnerable should not carry the burden of increased climate risks, and given their already strained resources, their access to climate risk protection needs to be favored.
- › **Realize Human Rights**  
Climate and disaster risk finance and insurance solutions will contribute to ensuring poor and vulnerable people attain and maintain their Human Rights in the aftermath of disasters, or consequent to slow onset events caused by climate change.
- › **Provide inclusive and targeted support**  
Resources should be allocated on the basis of transparent targeting mechanisms ensuring that support deliberately reaches the poor and vulnerable, including consolidating adaptive social protection<sup>4</sup>.
- › **Be gender inclusive**  
Climate and disaster risk finance and insurance solutions need to be designed taking into consideration the specific vulnerabilities of women, and their access should be facilitated through targeting, support and delivery mechanisms.
- › **Enhance accessibility**  
Work to ensure accessibility for poor and vulnerable who may need predictable and long-term financial support, especially through considering adaptive social protection programs, also in the form of Public-Private Partnerships, as a delivery vehicle.

1 These Principles operationalize the InsuResilience Concept Note, including its definitions on concepts such as its target groups and the like.  
2 While the efforts of the InsuResilience Partnership focus first and foremost on alleviating the effects of climate impacts on low and lowest income segments ("pro-poor"), it acknowledges that vulnerability is multi-dimensional and does not arise due to low income only. Hence, the Principles should help improve the resilience of both poor and vulnerable people.  
3 Partnerships here refer to collaborations between public and private actors, and civil society, such as Public-Private Partnerships (PPP) and/or Public-Private-People Partnerships (PPPP), e.g. relating to community-based organizations, Takaful, cooperatives.  
4 Social protection programs as referred to by the Principles cover, inter alia, (un)conditional cash transfer, (un)conditional in kind transfers, public work programs, contributory systems and fee waivers.