

“GRiF is helping to boost resilience at all levels of the economy: at the macro-level to build better buffers; at the mid-level to get firms back into action quickly; and at the micro-level to protect households, assets, and livelihoods.”

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Global Risk Financing Facility

YEAR ONE

SUPPORTING EARLY ACTION TO CLIMATE SHOCKS, DISASTERS & CRISES

JANUARY TO DECEMBER, 2019



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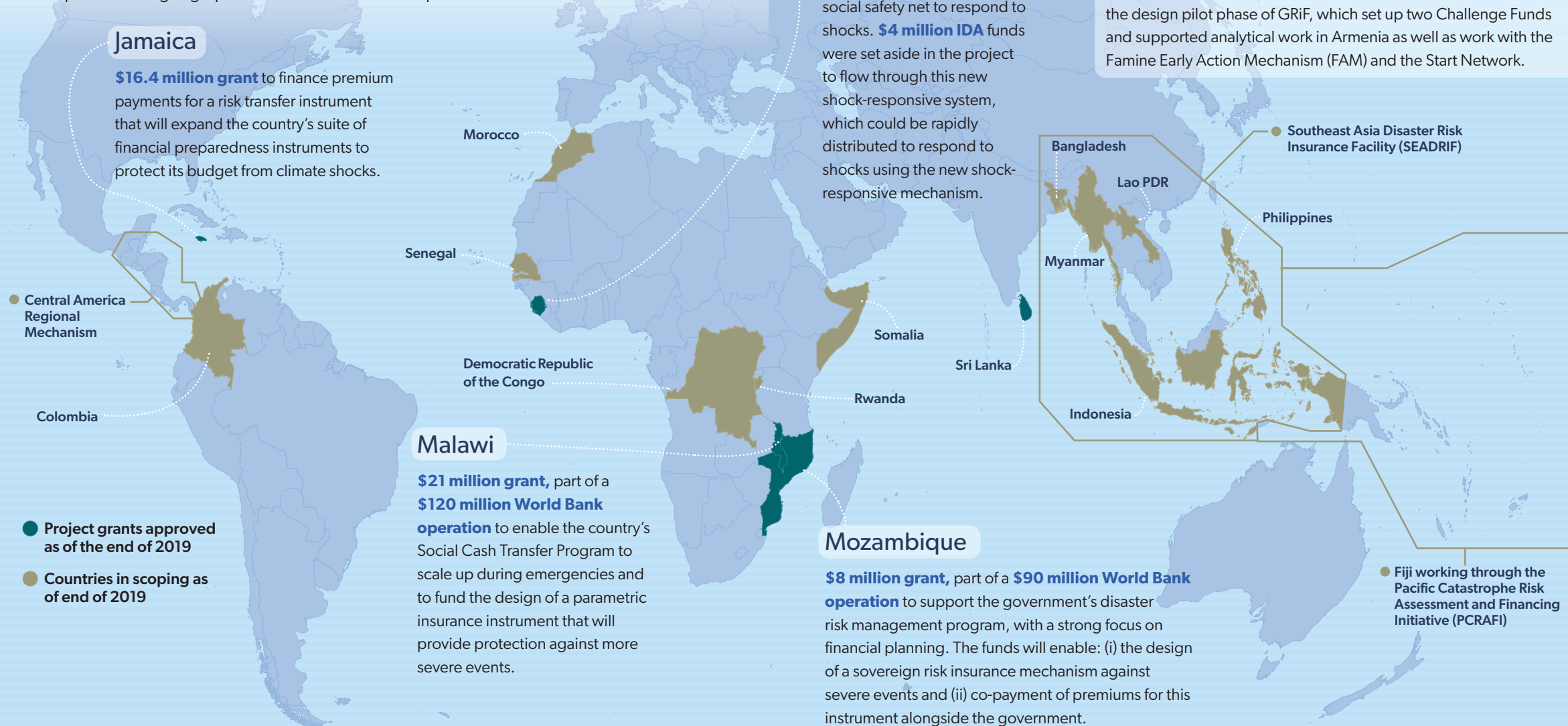


The GRiF Portfolio

Between January and December 2019, GRiF awarded over **\$50 million** of the **~\$200 million** pledged by Germany and the United Kingdom to pre-arrange financial solutions and improve the quality of data and analytics in vulnerable countries.

5 projects were approved for \$52 million. These include 4 country grants to Mozambique, Sierra Leone, Malawi, and Jamaica, and one global public goods grant for crisis analytics. Exploration of new projects is ongoing in 13 countries, **11 of which have scoping grants worth \$2 million** to explore feasibility of larger programs.

The map shows the geographical distribution the GRiF portfolio as of the end of 2019.



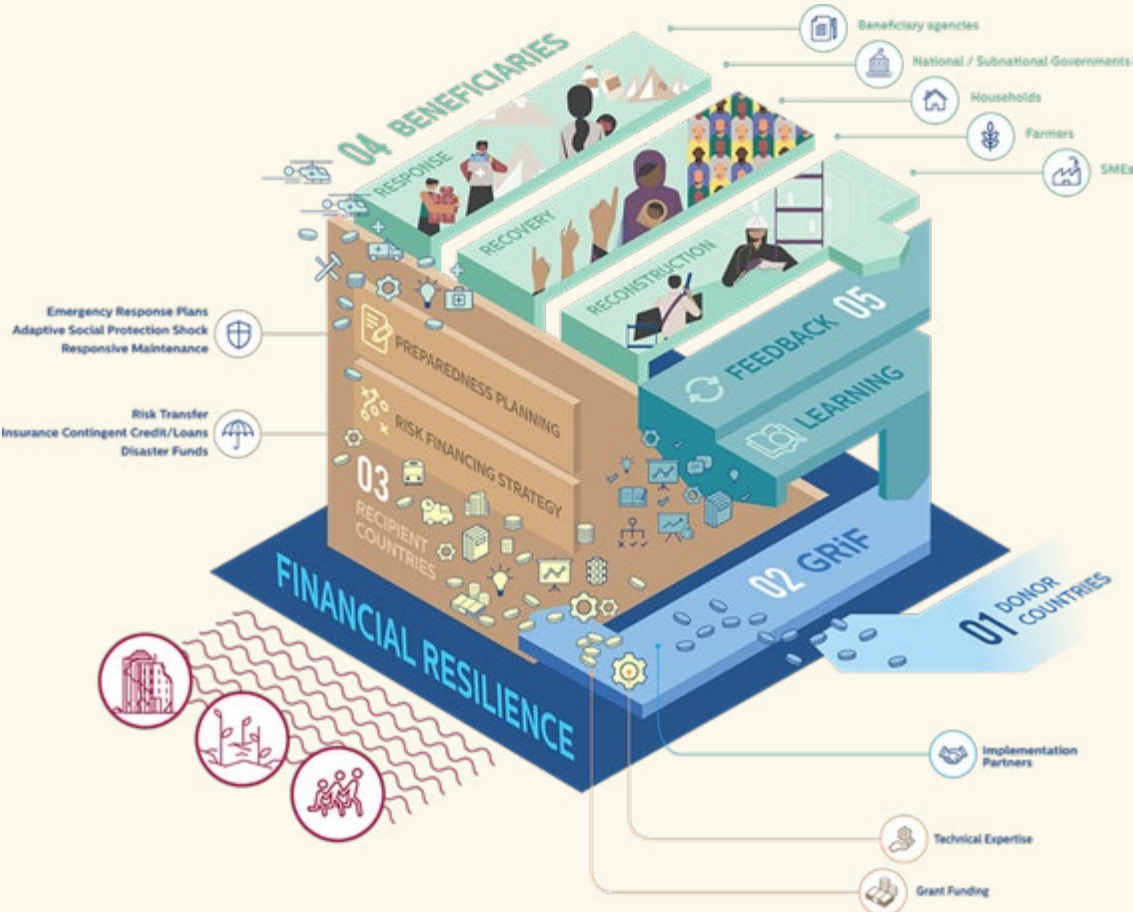
About GRiF

GRiF provides grants and technical expertise to test, pilot, and scale up pre-arranged financing instruments that help countries safeguard development progress and recover more quickly from the impact of climate shocks, disasters, and crises.

GRiF is a Trust Fund with ~\$200 million in pledges and contributions from Germany and the United Kingdom. The World Bank hosts the GRiF Secretariat, which is jointly formed by the World Bank’s Disaster Risk Finance and Insurance Program (DRFIP) and the Global Facility for Disaster Reduction and Recovery (GFDRR). The program contributes to the Vision 2025 of the InsuResilience Global Partnership.

How does GRiF support countries?

- Financing for feasibility and preparation of financial risk management solutions
- Co-financing World Bank projects or government funds to implement financial risk management solutions
- Technical assistance to support implementation of financial risk management solutions
- Financing public goods focused on analytics and technical innovations to allow robust design and effective implementation of financial solutions.



Mozambique

Implementing sovereign risk insurance

- Each year, Mozambique loses more than 1% of its GDP to weather-related hazards, from **cyclones and floods to droughts and earthquakes**. Most recently, in March and April 2019, Cyclones Idai and Kenneth affected 2 million people and led to losses of \$3 billion.
- Financial resources to address these calamities are usually arranged only after the occurrence of these events, with **funds arriving a little too late to meet urgent post-event needs**.
- A **\$90 million IDA operation** is supporting the government’s disaster risk management program to develop and **implement a comprehensive risk financing strategy** including a national disaster fund.
- As part of this operation, a **GRiF grant of \$8 million** will support the design and implementation of a **sovereign disaster risk insurance scheme and co-financing premium payments**.



Malawi

Designing a shock-responsive system

- Malawi faces high risk of **droughts and floods**. Around 83% of Malawians live in rural areas, 80% are employed in the agricultural sector, and 70% already live below the international poverty line of US\$1.90 per day. Due to its economic and social conditions, the country has **limited capacity and resources to ensure adequate and timely responses** to climate-related disasters and other shocks.
- A **\$120 million IDA operation** seeks to support Malawi’s government to improve and **extend its Social Cash Transfer Program** to strengthen the country’s financial resilience to weather-related shocks.
- As part of this operation, a **GRiF grant of \$21 million** will support the **design of a shock-responsive component** for this safety net and develop a **sovereign risk insurance scheme**.



Sierra Leone

Responding to Disaster and Health Shocks

- Sierra Leone faces large exposure to **floods, landslides, mudslides, and pandemics**. Over the past 15 years, the country has experienced five major floods, which have affected more than 500,000 people, most of them in poverty.
- The government of Sierra Leone is making its national safety net **shock-responsive** to more effectively manage the financial impacts of natural disasters and health emergencies.
- The **\$2.5 million GRiF grant, alongside the IDA operation, will support development of the scalability mechanism**, including the design of triggers that signal an emergency, the institutional and operational arrangements for the scale-up, and the build-out of the appropriate payment and service delivery systems. The grant will also **support capacity-building of decision-makers** for better financial planning and response efforts in the face of emergencies.
- Sierra Leone is one of the few fragile and conflict affected countries to set up **dedicated national funds as a contingency** for future emergencies, which will be channeled through the safety net in the wake of an emergency.



Jamaica

Supporting a Comprehensive Financial Resilience Strategy

- Jamaica faces a high risk of **hurricanes, tropical storms, earthquakes, droughts, floods, and landslides** which can have severe macro-economic impacts. After Hurricanes Dean and Gustav in 2007 and 2008, Jamaica’s inflation rate spiked to over 20 percent.
- A **GRiF grant of \$16.4 million** will contribute to expanding the government’s sovereign risk insurance program by **financing premiums for a risk transfer instrument**.
- The project will work through **already established mechanisms and institutions** like the Programme of Advancement through Health and Education (PATH) and Jamaica Household Damage, Needs, and Impact Assessment (JHDINA) in order to ensure that funds are channeled to target populations including the poor, youth, and women.

MILESTONES

