

“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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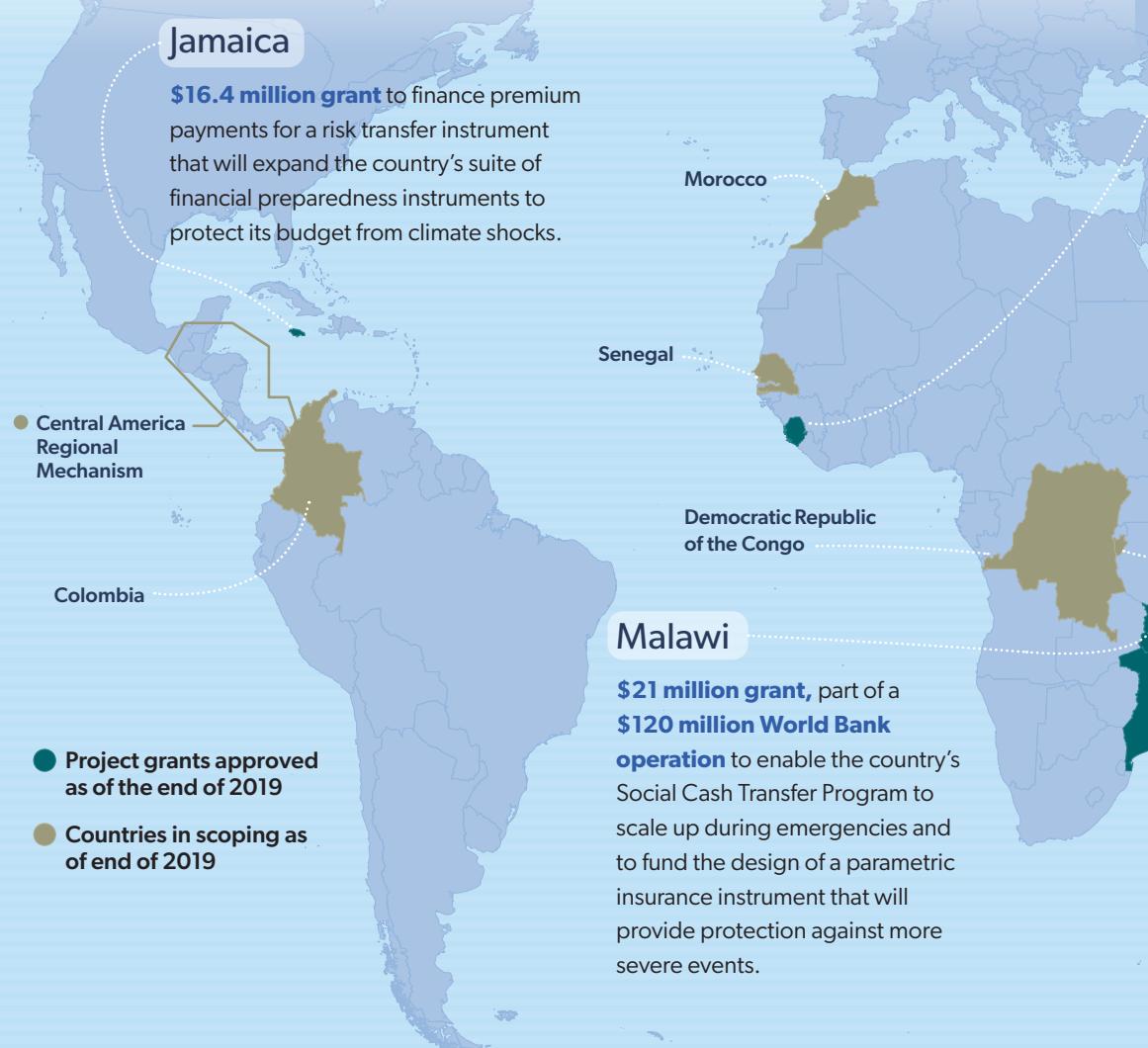


The GRIF Portfolio

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.



Global Analytics Program

\$5.5 million grant awarded to **support the development of public goods on crisis risk finance**. Activities financed through this grant will leverage satellite data, innovative technology, and analytics to create an enabling environment for improved risk management and risk financing.

\$200,000 scoping grant awarded for the feasibility assessment and design of a **Capacity Strengthening Program** to provide flexible, customized, and real-time training to government officials on financial planning for emergencies.

These grants join the analytical awards granted in 2018 during the design pilot phase of GRIF, which set up two Challenge Funds and supported analytical work in Armenia as well as work with the Famine Early Action Mechanism (FAM) and the Start Network.

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



ozambique

Counting sovereign risk insurance

Mozambique loses more than GDP to weather-related hazards, **hurricanes and floods to droughts** and **earthquakes**. Most recently, in March 2019, Cyclones Idai and Kenneth killed 2 million people and led to losses of \$1.5 billion. The government has limited resources to address these calamities, which are usually arranged only after the occurrence of the events, with **funds arriving a little late to meet urgent post-event needs**.

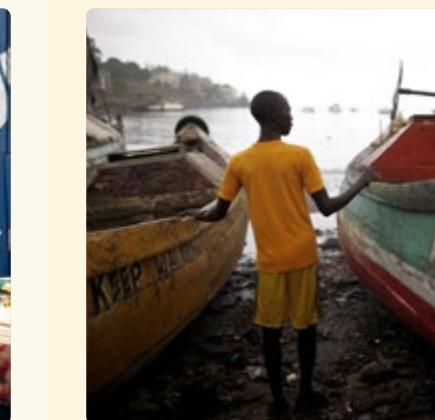
The **million IDA operation** is supporting the government's disaster risk management efforts to develop and **implement a comprehensive risk financing strategy** to establish a national disaster fund. This operation, a **GRIF grant of \$100 million**, will support the design and implementation of a **sovereign disaster insurance scheme and co-financing arrangements for insurance payments**.



Malaw

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**.



Sie

Responding to Disaster and

- Sierra Leone faces large exposure to **mudslides, and pandemics**. Over the last 20 years, the country has experienced five major events, each of which has affected more than 500,000 people and caused significant poverty.
- The government of Sierra Leone is committed to building a safety net that is **shock-responsive** to mitigate the financial impacts of natural disasters and other emergencies.
- The **\$2.5 million GRiF grant, alongside the government, will support development of the national early warning system**, including the design of triggers that will alert the public and the institutional and operational arrangements that will support the build-out of the appropriate delivery systems. The grant will also support the **building of decision-makers** for preparedness and response efforts in the face of future shocks.
- Sierra Leone is one of the few fragile states that have been able to set up a **dedicated early warning system** as a **contingency** for future emergencies. The system will be channeled through the safety net to ensure that it reaches the most vulnerable.



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Health Shocks *Supporting a*



Comprehensive Financial Science Strategy