GLOBAL SHIELD FINANCING FACILITY

ANNUAL REPORT 2025

Global Shield Financing Facility

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EXECUTIVE SUMMARY

When countries choose to invest in financial preparedness and resilience against natural disasters and climate shocks, it reaffirms the value of programs like the Global Shield Financing Facility (GSFF).

As climate shocks and natural disasters become more frequent, governments are looking for better ways to protect their budgets, their economies, and their people from the disruption these events bring. Millions of people lose their jobs and livelihoods because of disasters every year, and single events can wipe out large portions of countries' gross domestic products (GDPs). In this context, governments are choosing to prioritize investments in financial preparedness and resilience. At the Global Shield Financing Facility, we see the importance of this now more than ever.

The Global Shield Financing Facility, a financing vehicle positioned under the Global Shield against Climate Risks, leverages the World Bank Group's portfolio of programs in countries around the world to bring scale to these efforts. By providing grants embedded within World Bank lending programs, GSFF enables governments to test, implement, and scale financial solutions for climate and disaster shocks. In fiscal year 2025 (FY25), GSFF-funded projects made significant progress toward closing critical protection gaps, supported crisis preparedness, and strengthened global partnerships with key stakeholders.

- GSFF provided grants that enabled 17 countries to access financial protection solutions, **directly protecting 4.2 million people**, including almost 2.3 million women.
- **GSFF-supported disaster risk finance solutions triggered US$31 million in payouts in FY25**, providing crucial support to over 660,000 people across seven countries.
- A new dedicated window under GSFF was operationalized in partnership with the World Food Programme (WFP) to strengthen links between **adaptive social protection (ASP) programs and disaster risk finance solutions to meet the needs of the most vulnerable populations**.

- GSFF continued its engagements at the highest levels of the global dialogue on climate and disaster risk finance, which included **contributions offered to donors and development partners for G7 and G20 discussions, the Conference of the Parties (COP) of the United Nations Framework Convention on Climate Change (UNFCCC), and the International Conference on Financing for Development (FfD4)**, among others.
- Partnership with the private sector was further deepened through new engagements initiated with the Insurance Development Forum (IDF) and by **strengthening country capacities on domestic market development and stronger understanding of and engagement with the international (re) insurance industry**.
- Going forward, GSFF will follow a balanced approach, one that both strengthens past achievements and builds on them to develop new solutions. It will invest in initiatives that **deepen learning and share knowledge** from implementation efforts, thus **enabling scale-up and replication** of these efforts, and it will use proven concepts to explore new areas with untapped potential, thus unlocking innovation. With a clear focus on **preserving jobs and livelihoods impacted by disasters**, GSFF will continue to drive progress in financial protection and climate resilience globally.

4.2 million people directly protected with disaster risk finance solutions

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Abbreviations

ABMN	Program Asuransi Barang Milik Negara (Indonesia)
ACT	anticipatory cash transfers
AFD	Agence Française de Développement
AfDB	African Development Bank
ARC Ltd.	African Risk Capacity Limited
ASEAN	Association of Southeast Asian Nations
ASP	adaptive social protection
BDF	Business Development Fund (Rwanda)
BOOST-YOU	Building Opportunities and Outcomes in Social Protection and Youth Employment (Somalia)
BPDLH	Badan Pengelola Dana Lingkungan Hidup (Indonesian Environment Fund)
CAFI	Competitiveness and Financial Inclusion (Lesotho)
CAT DDO	Catastrophe Deferred Drawdown Option
CDRFI	climate and disaster risk finance and insurance
CERC	Contingent Emergency Response Component
COP29	29th Conference of the Parties of the United Nations Framework Convention on Climate Change
CRDC	Climate Resilient Debt Clause
CRF	Climate Risk Fund (Pakistan)
CSC	World Bank Group Corporate Scorecard
CSO	civil society organization
CVF	Climate Vulnerable Forum
DRCC	Disaster Response Command Center (Philippines)
DRF	disaster risk finance
DRIVE	De-risking, Inclusion, and Value Enhancement of Pastoral Economies in the Horn of Africa
DSR	dynamic social registry
ECOWAS	Economic Community of West African States
FCV	fragility, conflict, and violence
FSEC	Solidarity Fund against Catastrophic Events (Fonds de Solidarité contre les Évènements Catastrophiques, Morocco)
FSIP	Financial Sector Inclusion Project (Burkina Faso)
G7	Group of Seven
GDP	gross domestic product
GRiF	Global Risk Financing Facility
GSFF	Global Shield Financing Facility
ICP	Global Shield In-Country Process
IDA	International Development Association
IFC	International Finance Corporation
IDF	Insurance Development Forum
IPF DDO	Investment Project Financing with Deferred Drawdown Option
MDTF	Multi-Donor Trust Fund
MEL	Monitoring, Evaluation, and Learning
MIGA	Multilateral Investment Guarantee Agency
MSMEs	micro, small, and medium enterprises
NADP	National Agriculture Development Program (Democratic Republic of Congo)
NFC	National Contingency Fund (Madagascar)
NIRAPAD	Network for Information, Response, and Preparedness Activities on Disaster (Bangladesh)
NUSAF	Northern Uganda Social Action Fund
PASA	Programmatic Advisory Services and Analytics
PCIC	Philippine Crop Insurance Corporation
PFB	Pooling Fund for Disasters (Indonesia)
PPCG	partial portfolio credit guarantee
PWP	Climate Smart Public Works Programme (Malawi)
RAM	Resilient and Accessible Microfinance (Pakistan)
REPAIR	Regional Emergency Preparedness and Access to Inclusive Recovery Program (Southern and Eastern Africa)
RESET	Senegal First Reforms for Economic Stabilization, Enabled Transformation and Transparency
RFSR	Regional Food Security Reserve (West Africa)
RFU	Risk Finance Umbrella
RISE	Resilience, Inclusion, Skills, and Equity (The Gambia)
SCTP	Social Cash Transfer Programme (Malawi)
SEADRIF	Southeast Asia Disaster Risk Insurance Facility
SINIRUBE	Sistema Nacional de Información y Registro Único de Beneficiarios del Estado (Costa Rica)
SMEs	small and medium enterprises
SPEED	Social Protection for Economic Inclusion, Empowerment, and Digital Innovation (Philippines)
TF	Trust Fund
UN	United Nations
V20	Vulnerable Twenty Group
VfM	Value for Money
WBG–IDF	World Bank Group–Insurance Development Forum Knowledge Partnership
WFP	World Food Programme

DONORS

Canada

Germany

Japan

Luxembourg

UK

PARTNERS

Global Shield entities

Global Shield Secretariat

Global Shield Solutions Platform

Climate Vulnerable Forum & V20 Joint Multi Donor Fund

National Development Partners

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

Japan International Cooperation Agency (JICA)

Multilateral Development Banks / Agencies

World Bank Group (WBG)

African Development Bank (AfDB)

Agence Française de Développement (AFD)

Asian Development Bank (ADB)

International Finance Corporation (IFC)

Humanitarian Agencies

World Food Programme (WFP)

United Nations Children's Fund (UNICEF)

United Nations Development Programme (UNDP)

International Federation of Red Cross and Red Crescent Societies (IFRC)

Red Cross Climate Centre

Civil Society Organizations (CSOs)

Oxfam

START Network

Network for Information, Response, and Preparedness Activities on Disaster (NIRAPAD), Bangladesh

Civil Society Budget Advocacy Group (CSBAG), Uganda

Centre for Policy Analysis (CEPA), Uganda

Risk Pools

African Risk Capacity Limited (ARC)

Caribbean Catastrophe Risk Insurance Facility (CCRIF)

Pacific Catastrophe Risk Insurance Company (PCRIC)

Southeast Asia Disaster Risk Facility (SEADRIF)

Private Sector

Insurance Development Forum (IDF)

SwissRe

MunichRe

ZEP-RE (PTA Reinsurance Company)

Yelen Assurance

Research & Technical Partners

European Space Agency (ESA)

Centre for Disaster Protection

London School of Economics

University of Dhaka

Ca'Foscari University

Bocconi University

Oxford University

Georgetown University

Bandung Institute of Technology

FY25 IN NUMBERS

17 countries
receiving GSFF support,
and **6 projects** under preparation

Over
US$4.1 billion
in financing in place for countries to mobilize for disaster response[1]

9 instruments triggered in FY25 totaling over
US$31 million in payouts

US$3.2 billion
in sum insured made accessible from (re)insurance markets[2]

22 active instruments
providing coverage in 15 countries

4.2 million people directly protected
with disaster risk finance solutions, 53 percent of whom are women

Over **660,000 beneficiaries**
in 7 countries reached with payouts in FY25

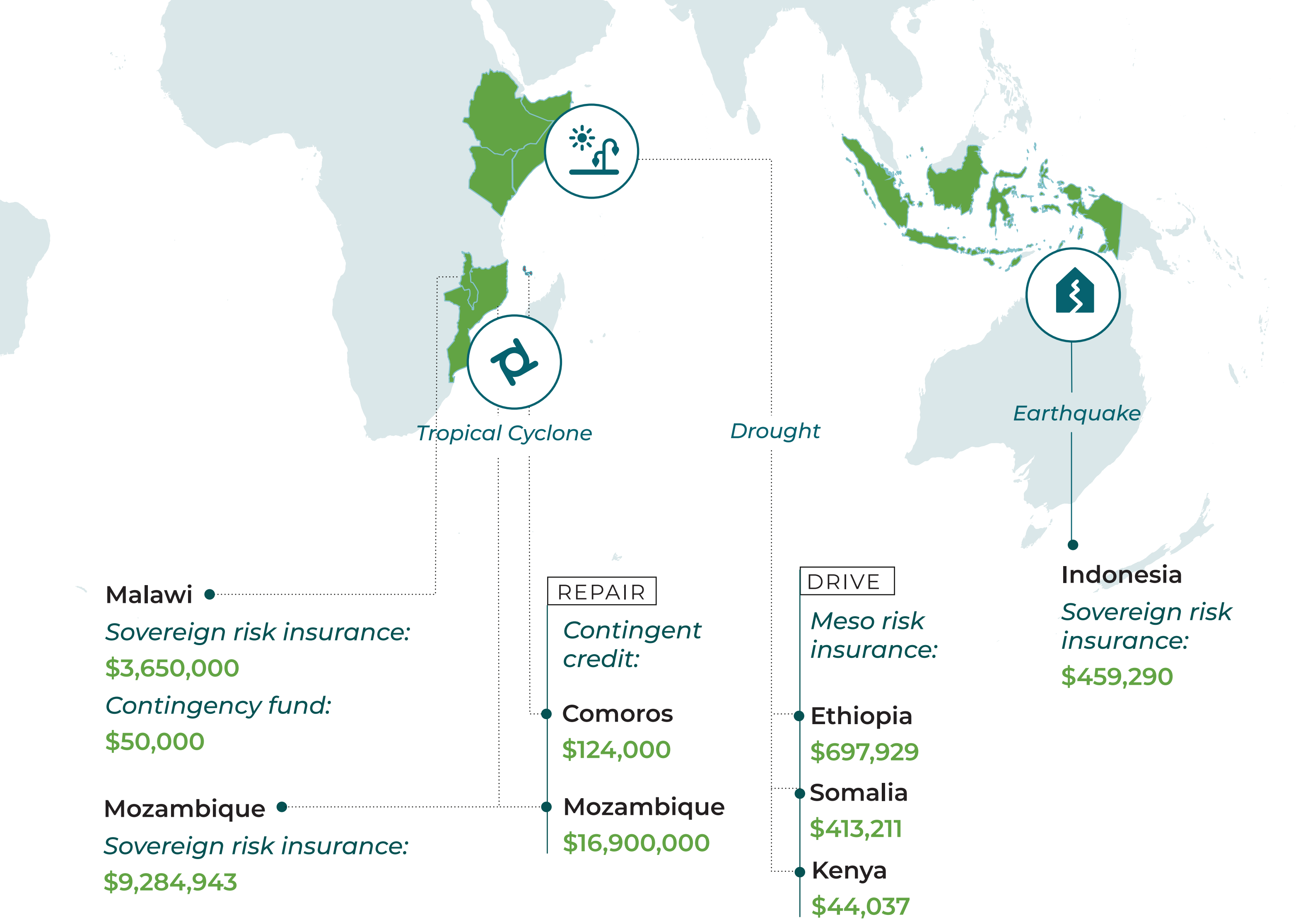
25 country workshops
and trainings conducted, reaching 585 people

42 knowledge and analytic products
designed or supported by GSFF

For more insights, please refer to the Results Framework (Annex 4, p. 133).

1 Of this, US$3.4 billion represents financing for disaster response in place in Indonesia, with the state asset insurance program (Program Asuransi Barang Milik Negara, ABMN) and the Pooling Fund for Disaster (Pooling Fund Bencana, PFB) making up US$2.9 and US$0.5 billion, respectively.
2 Of this, US$2.9 billion in sum insured made accessible from (re)insurance markets represents Indonesia's state asset insurance program (Program Asuransi Barang Milik Negara, ABMN).

PAYOUTS FROM GSFF-FUNDED INSTRUMENTS IN FY25



GSFF-funded instruments fulfill their purpose: nine financial instruments were triggered in FY25, providing over US$31 million in payouts. These crucial emergency funds reached over 660,000 people across seven countries.

ABOUT GSFF

1

WHO WE ARE

The Global Shield Financing Facility (GSFF) is a World Bank–administered multi-donor trust fund with contributions from the Governments of Canada, Germany, Japan, Luxembourg, and the United Kingdom.

GSFF supports vulnerable countries and people by increasing their access to financial protection against climate shocks, disasters, and crises with technical advisory services and integrated financial packages that address protection gaps.

GSFF finances climate and disaster risk finance and insurance (CDRFI) solutions for the most vulnerable countries and communities by strengthening partnerships with a range of stakeholders, including civil society organizations (CSOs), regional risk pools, humanitarian organizations, and the private sector. To support countries in designing and implementing their CDRFI strategies, GSFF leverages the World Bank's analytical and advisory work, technical knowledge and expertise, and portfolio of lending instruments.

GSFF is one of three financing vehicles of the Global Shield against Climate Risks (Global Shield) and supports its objectives:

- Enhancing national capacities to identify and address climate risks and make informed decisions about risk financing solutions targeted at vulnerable people and communities affected by climate risks
- Strengthening coordination of disaster risk finance solutions across the national, regional, and international financial architecture and development community
- Scaling up disaster risk finance solutions through a global, flexible, and collaborative financing structure
- Providing a platform to catalyze sustainable and innovative financial protection by leveraging the collective expertise of diverse stakeholders

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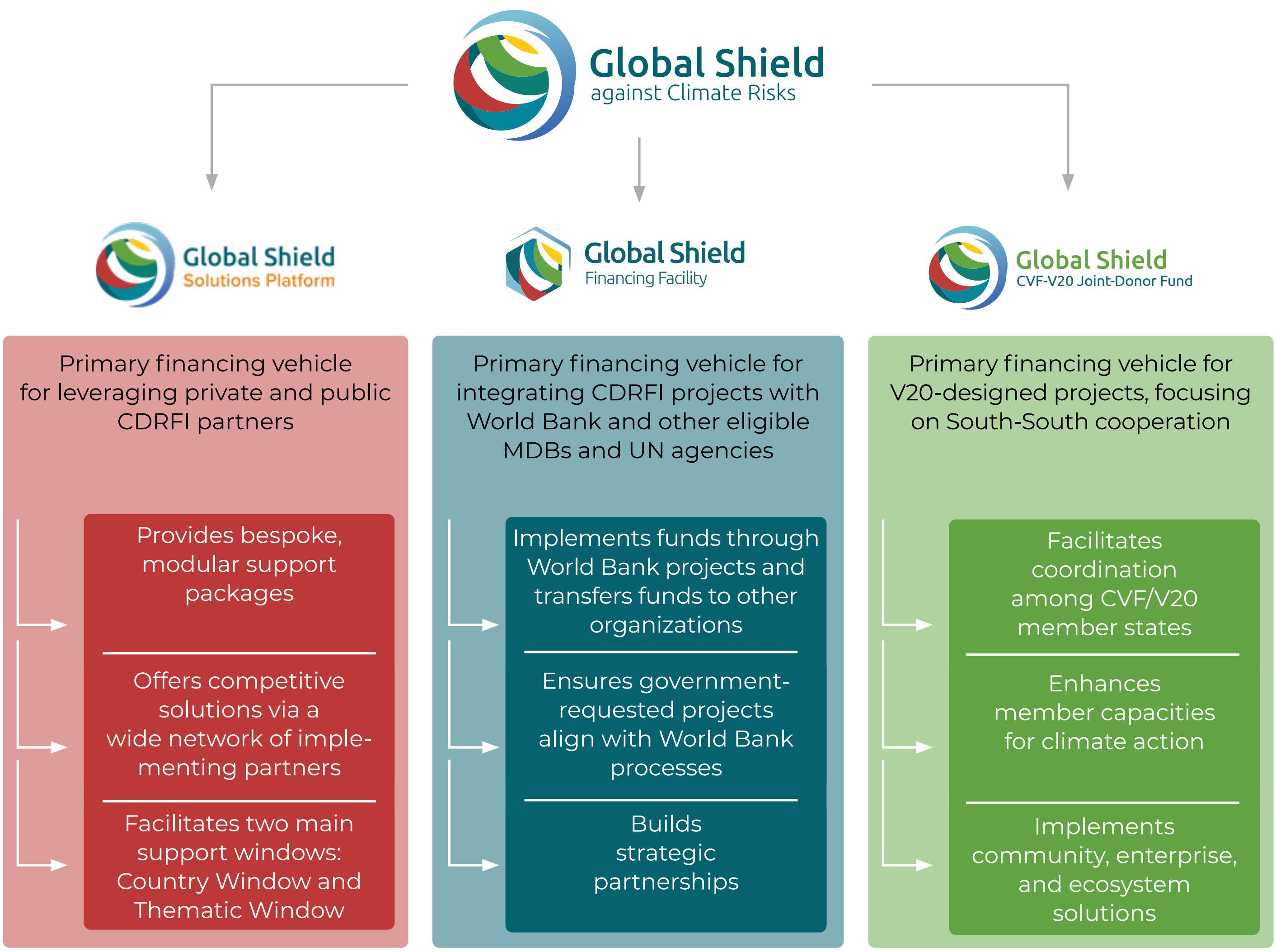
Within an evolving CDRFI landscape, GSFF is a unique mechanism that can provide financial resources to select United Nations (UN) agencies and multilateral development banks. GSFF evolved from an earlier entity, the Global Risk Financing Facility (GRiF), and was formally launched in November 2022.

GSFF is one of three financing vehicles of the Global Shield against Climate Risks.

GSFF AND THE GLOBAL SHIELD AGAINST CLIMATE RISKS

GSFF serves as one of three financing vehicles of the Global Shield (Figure 1). It provides grants that can be integrated into ongoing World Bank programs on risk finance, social protection, disaster risk management, and financial sector development, among others. As a Global Shield financing vehicle, GSFF can deploy funds through World Bank projects and, under exceptional circumstances, transfer them to other eligible organizations.

FIGURE 1. GLOBAL SHIELD AGAINST CLIMATE RISKS AND ITS FINANCING VEHICLES



Source: World Bank. Abbreviations: CDRFI = climate and disaster risk finance and insurance; CVF = Climate Vulnerable Forum; MDB = multilateral development bank; V20 = Vulnerable Twenty.

GSFF's **Steering Committee** provides strategic guidance to the GSFF Secretariat and is composed of contributing donor governments (Canada, Germany, Japan, Luxembourg, and the UK) and World Bank representatives. Observers may be invited to the Steering Committee by agreement of its members. Currently, representatives of the Climate Vulnerable Forum/V20 and the Global Shield Secretariat participate as observers, ensuring alignment with broader Global Shield priorities. The Steering Committee endorses the grant selection criteria as well as annual workplans, budgets, and reports presented by the GSFF Secretariat, ensuring that they are aligned with the agreed criteria. Only donors retain decision-making on funds that are transferred out to eligible entities without involvement of the World Bank.

GSFF works collaboratively with the two other Global Shield financing vehicles—the Global Shield Solutions Platform (GSSP) and the Climate Vulnerable Forum/V20 Joint Multi-Donor Trust Fund—to support the In-Country Process (ICP). This collaboration is a central element of the Global Shield initiative that facilitates the identification of country-specific needs and options for intervention.

The **Global Shield Secretariat** facilitates communication between GSFF and the two other GS financing vehicles on the In-Country Process. The **In-Country Process** is an inclusive, country-led process in Global Shield priority countries that engages all stakeholders relevant to advancing CDRFI, including vulnerable and affected groups. In countries where there is well-established World Bank dialogue on CDRFI through prior or potential engagement, GSFF contributes substantially to the ICP. In cases where World Bank CDRFI engagements are not present, GSFF aims to identify entry points in existing World Bank programs that align with the country's request to the Global Shield, while adhering to World Bank governance processes and respecting established program priorities.

The In-Country Process is an inclusive, country-led process in Global Shield priority countries that engages all stakeholders relevant to advancing CDRFI, including vulnerable and affected groups.

The Global Shield Secretariat facilitates requests from countries that emerge through this process and ensures they are presented to the financing vehicles for well-coordinated support across GSFF, GSSP, and the CVF/V20 Fund. Table 1 provides details on GSFF's engagement in the ICP.

In addition, through the Global Shield **Coordination Hub**, a core coordination body within the Global Shield architecture, GSFF shares information when requested by the Global Shield Secretariat and offers inputs to partner contributions. The Coordination Hub also steps in to support the In-Country-Process as and when requested by the Global Shield Secretariat.

TABLE 1. GSFF'S ROLE IN THE GLOBAL SHIELD IN-COUNTRY PROCESS

<table>
<tr><th>STEP</th><th>ROLE OF GSFF</th></tr>
<tr><td>Initiation of In-Country Process</td><td>GSFF helps coordinate participation of key government counterparts working on disaster risk finance, disaster risk management, and adaptive social protection, with inputs from World Bank experts in country</td></tr>
<tr><td>Stock-take</td><td>GSFF coordinates inputs from across the World Bank, with focal points in each Global Shield country working closely with the GSFF Secretariat to support this effort</td></tr>
<tr><td>Gap analysis</td><td>At the request of the Global Shield Secretariat, GSFF provides technical inputs and review, which build on the findings of the World Bank's Disaster Risk Finance Diagnostics where available</td></tr>
<tr><td>Request for CDRFI support</td><td rowspan="2">GSFF responds to the request for support within the scope of its mandate and governance arrangements</td></tr>
<tr><td>Tailoring of support package</td></tr>
<tr><td>Implementation of support package</td><td>GSFF grants are embedded in World Bank projects</td></tr>
</table>

Source: GSFF Secretariat.   Abbreviation: CDRFI = climate and disaster risk finance and insurance.

GSFF AND THE WORLD BANK

ALIGNMENT WITH AND SUPPORT FOR WORLD BANK CORPORATE PRIORITIES

As the World Bank's flagship program on climate and disaster risk finance, GSFF strengthens the financial preparedness of World Bank client countries for climate shocks, disasters, and crises. With the rollout of the Crisis Preparedness and Response Toolkit in 2024, the topic is now increasingly prioritized within World Bank programs.

Under IDA20 (the 20th International Development Association replenishment cycle), the World Bank prioritized crisis preparedness in its support to vulnerable countries, highlighting it as a cross-cutting issue and committing to integrating support for crisis preparedness in all IDA country programs. GSFF-financed activities have supported this priority by enabling investments that help governments, businesses, and households in 16 IDA countries better prepare for and manage shocks.

In addition, through its enhanced Crisis Preparedness and Response Toolkit, the World Bank offers a suite of instruments to help client countries prepare for and respond to shocks. The toolkit's objective is to mainstream the integration of financial solutions to crises into World Bank projects, bringing scale to the projects that GSFF (formerly GRiF) has financed over the last seven years. GSFF-supported technical analysis was instrumental in the development of the Climate Resilient Debt Clause (CRDC), a central component of the toolkit, and GSFF continues to play a critical role in the toolkit's ongoing rollout.

As part of the 21st IDA replenishment cycle (IDA21), completed in FY25, the World Bank renewed its commitment to crisis preparedness, prioritizing the increased take-up of the Crisis Preparedness and Response Toolkit in IDA countries. The toolkit includes instruments that provide fast access to cash for emergency response, scaled up financing arranged ahead of shocks, and expanded catastrophe insurance. IDA21 will systematically track and report progress on these preparedness-related policy commitments.

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GSFF investments align closely with several key outcome areas of the new World Bank Group Corporate Scorecard (CSC), such as protecting those living in poverty, strengthening macroeconomic and fiscal management, promoting resilience to climate change, and improving preparedness for food insecurity.

GSFF is well aligned with the priorities of the World Bank Group Corporate Scorecard (CSC); it translates high-level institutional commitments into tangible country-level results that enhance financial resilience and protect vulnerable populations. GSFF reinforces the CSC's emphasis on **mobilizing finance for development** by engaging with the private sector and expanding access to (re) insurance capacity. By widening the reach of finance available in advance of shocks, GSFF funding also helps protect jobs and livelihoods when disasters strike, thus advancing CSC goals related to **poverty reduction and shared prosperity**. *Box 1 and Annex 5 provide more detail on the alignment of the GSFF Results Framework with the CSC.*

Finally, GSFF supports the World Bank's strategic emphasis on making expert knowledge available to clients to inform their responses to complex development challenges. Through its support for knowledge-sharing initiatives like the World Bank Group Academy, GSFF's impact extends beyond individual projects and fosters a global culture of preparedness and resilience that benefits those most vulnerable to climate-related risks.

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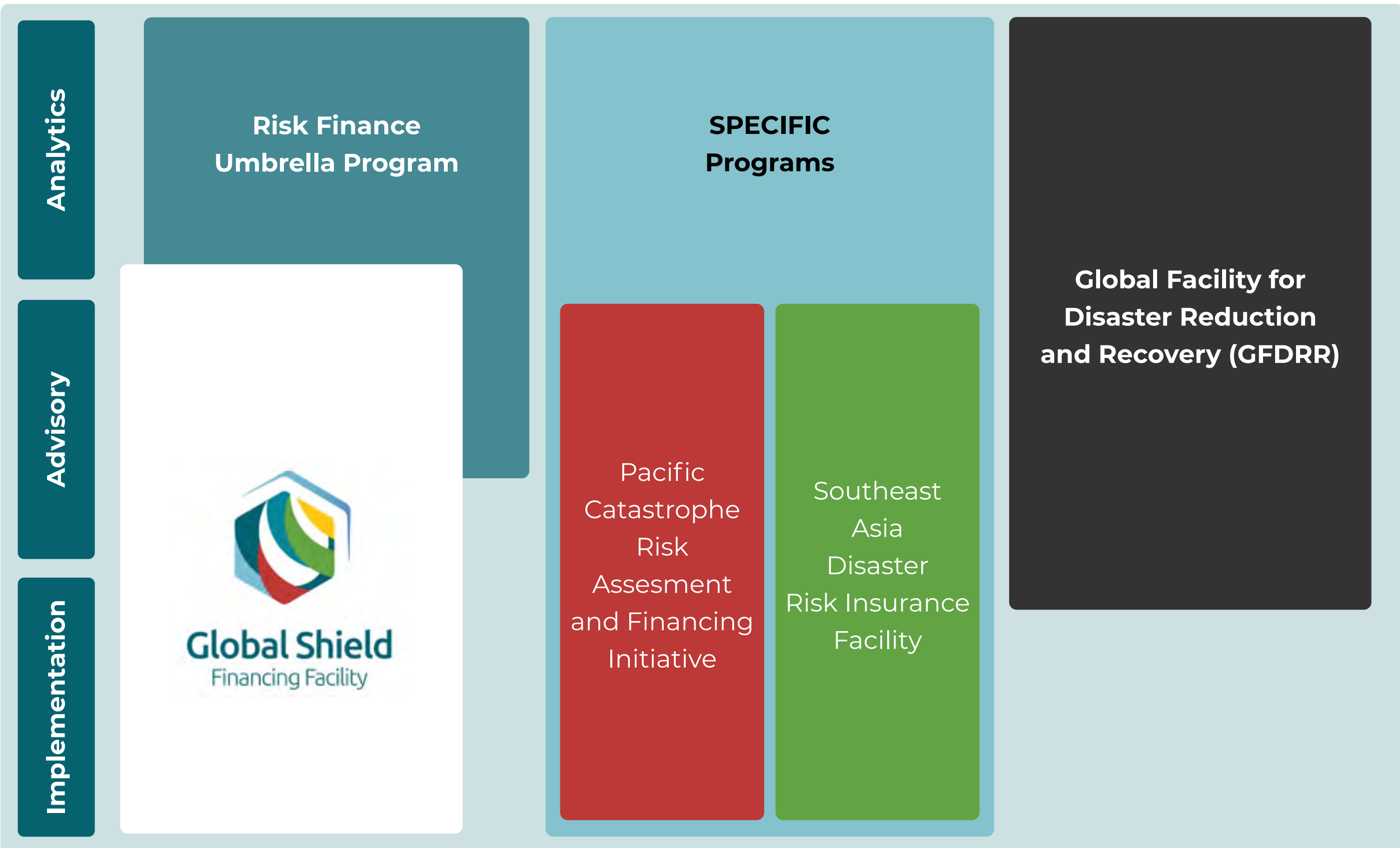
COLLABORATION WITH KEY CDRFI PROGRAMS HOSTED BY THE WORLD BANK

The Global Shield Financing Facility is a strong partnership between the disaster risk management and disaster risk finance teams within the World Bank. The trust fund is co-managed by the Disaster Risk Financing and Insurance Program (DRFIP) and the Global Unit for Disaster and Climate Risk Management (IDURM),[3] with the former implementing the technical program.

By focusing on implementing disaster risk finance solutions, GSFF complements and leverages other donor-supported CDRFI and disaster risk management (DRM) programs that provide upstream technical assistance and advisory services on CDRFI (see Figure 2).

GSFF's work complements that of the Risk Finance Umbrella (RFU), the main World Bank financing vehicle for upstream CDRFI investments. With funding from the Swiss State Secretariat for Economic Affairs (SECO), the United Kingdom's Foreign, Commonwealth & Development Office (FCDO), and as of FY25 the Japan Ministry of Finance (JMOF), RFU's programs and activities enable analytical and advisory work to initiate policy dialogue and inform the design of risk finance instruments.[4]

FIGURE 2. COMPLEMENTARITY OF GSFF WITH OTHER WORLD BANK TRUST FUNDS[5]



Source: World Bank.

3 The World Bank unit previously known as the Global Facility for Disaster Reduction and Recovery (GFDRR) has been renamed the Global Unit for Disaster and Climate Risk Management (IDURM). GFDRR now refers specifically to the umbrella trust fund managed by this unit.

4 The United States International Aid Development Agency (USAID) was a donor until February 2025.

5 As of June 30, 2025, the Southeast Asia Disaster Risk Insurance Facility (SEADRIF) migrated to the Risk Finance Umbrella (RFU) multi-donor trust fund.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Complementary co-funding from GSFF and RFU can maximize impact. For instance, in the **Lao People's Democratic Republic**, the support from both RFU and GSFF enabled the government to renew its parametric insurance policy, complete with a redesigned trigger mechanism (see Section 2, p. 32). In **Malawi**, RFU and GSFF worked together to enable the national social protection program to reach additional beneficiaries across disaster-prone districts; RFU led technical analysis to design the shock-responsive mechanism, while GSFF financed improvements to government delivery systems and premium support for the sovereign insurance layer of the risk financing strategy.

Similarly, GSFF builds on the upstream disaster risk management work supported by the GFDRR umbrella trust fund.[6] DRM interventions such as risk identification, resilient investment planning, and early warning help countries reduce risks. Risk financing then provides protection against the residual risks that cannot be mitigated, making GSFF a natural complement to GFDRR's broader DRM agenda.

6 Implemented by the World Bank Global Unit for Disaster and Climate Risk Management (IDURM).

FINANCIAL OVERVIEW

As of June 30, 2025, GSFF had signed contributions of about US$420.5 million. Of this, $414.7 million has been paid into the trustee account as follows: US$273.0 million from Germany, US$121.5 million from the United Kingdom, US$5.1 million from Canada, US$12.4 million from Japan, and US$2.7 million from Luxembourg.[7] Of the US$466.4 million in total receipts to the MDTF, US$417.7 million has been allocated or earmarked for approved projects. 68 percent of these funds will be implemented by recipients under World Bank supervision, while 18 percent will be executed by the World Bank; 15 percent have been transferred to development partners.

As of June 30, 2025, the GSFF MDTF had cumulative grant-related disbursements of US$197.2 million, representing 47.5 percent of the paid-in contributions. The Facility had an additional US$131.9 million committed. Cumulative administrative costs, deducted at source, amounted to US$9.4 million.

GSFF's portfolio is concentrated in regions most vulnerable to climate and disaster risks, with Africa and Asia together accounting for the majority of grants endorsed or awarded. Africa represents the largest share, with US$172.1 million in Southern and Eastern Africa and US$52.6 million in Central and West Africa, together making up nearly half of all grants. Substantial resources also go to Asia, with US$45.1 million in South Asia and US$33.8 million in East Asia and the Pacific, reinforcing GSFF's focus on highly climate-vulnerable countries. Additional allocations include US$25.0 million in Latin America and the Caribbean, US$5.3 million in the Middle East and North Africa, and US$0.1 million in Europe and Central Asia. Global grants totaling US$14.0 million support cross-regional learning and innovation.

The current portfolio emphasizes financial resilience and social protection, with the financial sector accounting for the largest share at 31 percent and social protection representing 26 percent. Agriculture (16 percent) and MSME/SME programs (14 percent) also make up important portions of the portfolio, supporting livelihoods and jobs.

GSFF's portfolio is concentrated in regions most vulnerable to climate and disaster risks.

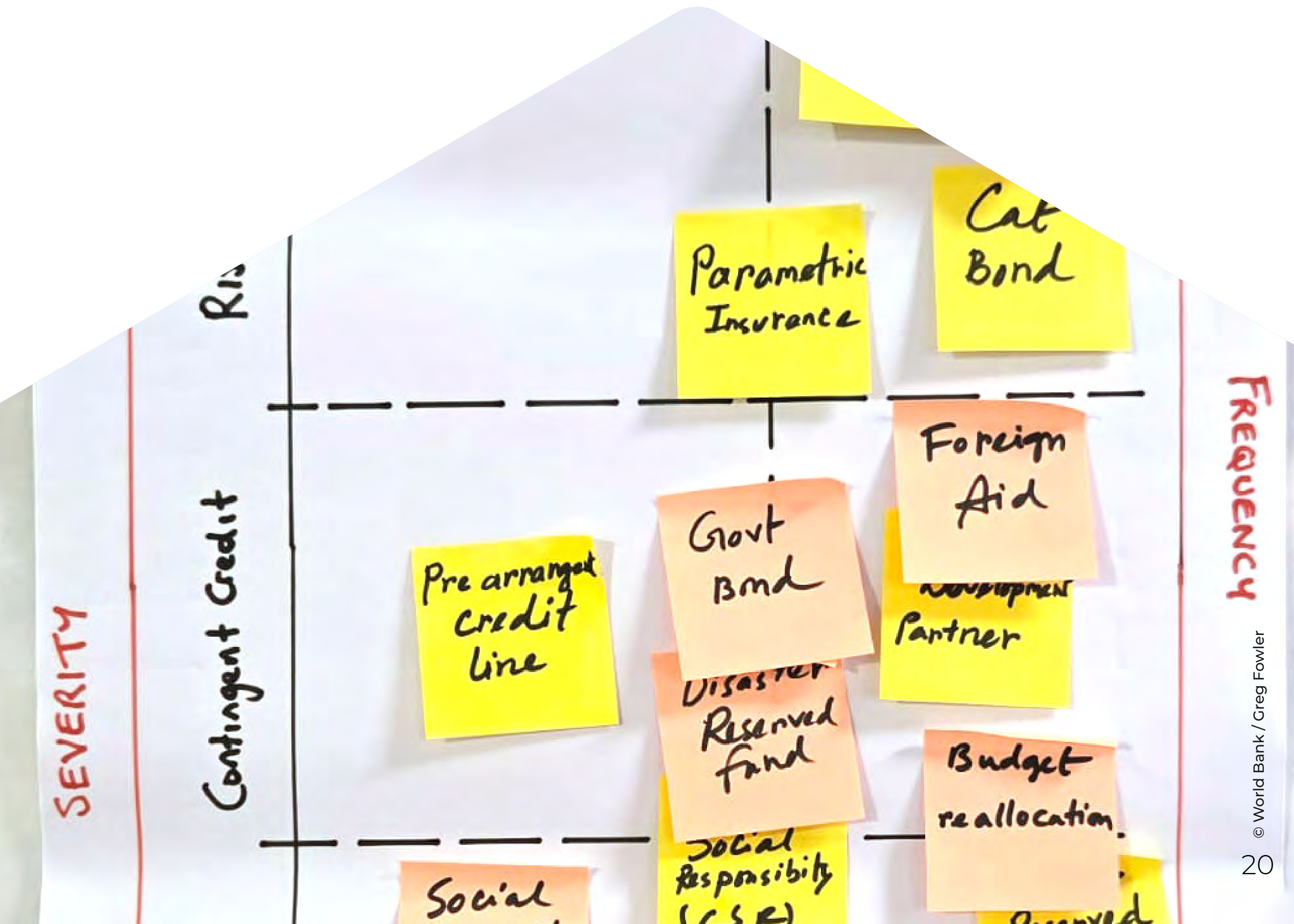
7 In addition to the donor contributions, the GSFF Multi-Donor Trust Fund (MDTF) has accrued investment income of US$51.8 million.

HOW WE WORK

GSFF leverages the World Bank's analytical and advisory work, technical knowledge and expertise, and portfolio of lending instruments to support countries with the design and implementation of their CDRFI strategies. GSFF cofinances the development and implementation of CDRFI solutions as part of larger World Bank–financed development programs.

GSFF funds activities that help households, businesses, and governments prepare for and respond to shocks, and in doing so fosters technical collaboration with Global Shield partners. GSFF primarily supports Global Shield priority countries;[8] however, where agreed with its donor partners, GSFF also provides funding to other countries, especially where potential innovations or lessons could benefit Global Shield priority countries. In addition to providing support directly to countries, GSFF can provide transfers to eligible multilateral development banks and UN agencies at the request of donors, who manage dialogue with eligible transferees.

8 In its initial phase, the Global Shield started activities in Bangladesh, Costa Rica, Ghana, Malawi, Pakistan, the Philippines, Senegal, and the Pacific. The new cohort of Global Shield countries was announced by the Global Shield Board in April 2024 and includes the following countries: The Gambia, Madagascar, Peru, Rwanda, and Somalia.



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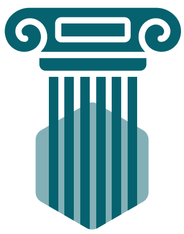
GSFF GRANTS HELP GOVERNMENTS, BUSINESSES, AND HOUSEHOLDS PREPARE FOR AND RESPOND TO SHOCKS THROUGH FOUR PILLARS OF ACTION:

FIGURE 3. GSFF'S FOUR PILLARS OF ACTION

PILLAR 1.
GLOBAL ENGAGEMENTS
to help achieve the objective of closing the protection gap globally by fostering global goods like data, analytics, and capacity building

PILLAR 2.
PARTNERSHIPS WITH HUMANITARIAN AGENCIES & CIVIL SOCIETY ORGANIZATIONS
to help ensure that humanitarian response includes risk finance principles

PILLAR 3.
DESIGN AND DEVELOPMENT OF INTEGRATED FINANCIAL PROTECTION PACKAGES
to support countries in implementing CDRFI solutions, with priority for comprehensive programs that can scale both regionally and globally



PILLAR 4.
PRIVATE RISK CAPITAL MOBILIZATION
to help close the financial protection gap by strengthening partnerships with industry, working to strengthen domestic markets, and enabling access to products offered by risk pools

Source: World Bank.

GSFF SUPPORTS SOLUTIONS WITH CLEAR PRIORITIES:

PROTECTING PEOPLE AND HOUSEHOLDS

Poverty and climate vulnerability often go together, as less privileged households tend to live in riskier locations, have less money saved, and have less insurance protection than better-off households. GSFF support helps governments develop solutions that protect those who need it most, when they need it most, by directly targeting individuals and households vulnerable to climate and disaster shocks.

PROTECTING JOBS AND THE ECONOMY

Resilient and sustainable development relies on the protection of the real economy, especially its micro, small, and medium enterprises (MSMEs). GSFF funding helps safeguard livelihoods and economic activity by improving MSMEs' access to credit, especially in the aftermath of disasters, thus speeding up post-shock recovery and discouraging reliance on negative coping mechanisms, such as asset sales.

PROTECTING GOVERNMENTS AND THEIR BUDGETS

GSFF supports governments by enhancing their ability to assess, prepare for, and respond to risks effectively. It enables governments to develop comprehensive CDRFI strategies to promote fiscal stability in the face of disasters, build financial capacity to manage unexpected expenses, and support efficient recovery efforts. By providing technical assistance as well as funding for instruments like catastrophe bonds and sovereign insurance, GSFF helps governments arrange financial solutions in advance of disasters to mitigate the economic impacts of such events, ensuring essential public services can continue uninterrupted.

GSFF provides financing to develop shock-responsive mechanisms for finance institutions, so that micro, small, and medium enterprises can continue to access credit even during climate shocks.

GSFF SUPPORT IS GUIDED BY A SERIES OF THEMATIC PRIORITIES THAT CUT ACROSS THE FOUR PILLARS OF ACTION AND HELP PRIORITIZE INTERVENTIONS FOR IMPACT:

STRENGTHENING THE FINANCIAL RESILIENCE OF WOMEN

CDRFI instruments that systematically consider and address the gendered impacts of climate-related disasters—those that protect women's health and ensure that increased care responsibilities during crises do not disproportionately interrupt their economic participation and put them at further disadvantage—hold tremendous promise for improving women's financial resilience. Through its Gender Strategy, GSFF employs a systematic and results-focused approach to integrating gender considerations in GSFF-funded activities. This includes closing financial access gaps, for instance in a microfinance project in Pakistan, or linking financing with delivery systems that reach women quickly, such as in Malawi. Embedding gender considerations across payout triggers and beneficiary targeting not only protects women from falling into poverty after disasters but also strengthens household and community resilience, making disaster risk finance more equitable and effective. To ensure maximum impact, activities implemented by the World Bank with GSFF funding undergo both corporate and grant-level gender screening processes. Box 4 in Section 4 illustrates further how GSFF funding strengthens the financial resilience of women.

GSFF's engagement with the private sector is fundamental to its mission and success.

MOBILIZING PRIVATE SECTOR TECHNICAL AND FINANCING CAPACITIES FOR OUR PARTNER COUNTRIES

GSFF's engagement with the private sector is fundamental to its mission and success. GSFF leverages risk modeling expertise, technical knowledge, and financial solutions offered by the private sector to enable countries to strengthen their own capacities and leverage (re)insurance markets. GSFF-funded projects in FY25 have involved both regional players, such as the African Risk Capacity Limited (ARC Ltd.), and global reinsurance brokers, like Gallagher Re. In Indonesia, a GSFF-funded project works with a domestic market consortium of more than 70 insurance companies, led by the state insurer Jacindo, and global reinsurers such as SwissRe and MunichRe. In Morocco, Atlantic Re, a private firm with publicly held capital, is a co-implementer.

A key partner in GSFF's private sector engagement is the Insurance Development Forum (IDF), a public-private partnership cochaired by the World Bank Group and the United Nations Development Programme (UNDP) and committed to optimizing the use of insurance and related risk management capabilities in countries susceptible to the impacts of climate change. Through initiatives such as the Disaster Risk Finance Academy and Learning Week, a flagship event under the knowledge partnership between GSFF and IDF, GSFF supports peer-to-peer exchange and tailored training that builds technical expertise and strategic knowledge within client governments. Section 4 provides further insights into how GSFF projects mobilize private sector technical and financing capacities.

SUPPORTING COUNTRIES AFFECTED BY FRAGILITY, CONFLICT, AND VIOLENCE

In countries affected by fragility, conflict, and violence (FCV), CDRFI plays a critical role in safeguarding lives and livelihoods by providing rapid, predictable resources in contexts where institutional capacity and fiscal space are already severely constrained. Disasters in FCV settings often exacerbate existing vulnerabilities, disrupt humanitarian operations, and strain weak governance systems, making timely financial response even more essential. A growing number of GSFF projects, for instance in Somalia, benefit communities in fragile and conflict-affected situations by tailoring CDRFI solutions that address their unique challenges, support recovery pathways after shocks, and promote long-term resilience.

BUILDING COUNTRY CAPACITY FOR CDRFI

GSFF prioritizes financing country-specific and regional capacity-building initiatives as part of its operational engagement to assist governments and other key stakeholders in managing disaster risks effectively. In FY25, GSFF financed a range of capacity-building activities across multiple regions. Overall, 585 people were trained through 25 workshops, trainings, and exchanges. These covered diverse themes, such as CDRFI analytics, flood modeling in Pakistan, development of digital disaster risk management platforms in Sierra Leone, and de-risking of livestock value chains in the Horn of Africa. In Malawi, Mozambique, and New Zealand, knowledge exchanges and study tours were organized that allowed government delegates to share experiences. Regional stakeholder engagement workshops convened in West Africa and in Comoros, Mozambique, and Madagascar helped to strengthen technical knowledge, peer learning, and collaboration on CDRFI solutions.

ADVANCING GLOBAL PUBLIC GOODS THROUGH CUTTING-EDGE ANALYTICS AND KNOWLEDGE PRODCUTS

GSFF empowers governments to make better-informed decisions by deploying innovative financial and risk analytics for the effective development and operationalization of CDRFI strategies. Recognizing that sharing insights and best practices is crucial for building global financial resilience, GSFF is dedicated to contributing to the global CDRFI knowledge base. In FY25, 42 CDRFI knowledge products were produced and disseminated with GSFF support, such as a technical note on implementing parametric takaful to protect pastoralists against drought in the Horn of Africa. Takaful, an Islamic cooperative system of reimbursement or repayment in case of loss, is an emerging area of focus within the World Bank, and parametric takaful for climate risk is a significant innovation.

SECTION 4 PROVIDES FURTHER DETAILS ON GSFF'S GLOBAL ENGAGEMENTS AND KNOWLEDGE-SHARING PRIORITIES.

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FIGURE 4. WHAT DOES GSFF DO?

Supports countries in designing and implementing CDRFI strategies by leveraging World Bank expertise, policy dialogue, and lending

Cofinances CDRFI tools within World Bank operations

Helps governments, businesses, and households **prepare for shocks**

FOUR PILLARS OF ACTION:

Global Shield Financing Facility

Global Engagements
Closes protection gaps through data, analytics, and capacity building

Private Sector Mobilization
Engages industry to close protection gaps

Partnerships
Collaborates with CSOs and humanitarian partners on CDRFI

Financial Protection Packages
Delivers comprehensive CDRFI solutions

PROTECTION PRIORITIES:

People and households

Real economy and jobs

Government budget

THEMATIC PRIORITIES:

Gender
Advances gender-sensitive CDRFI

FCV
Adapts DRF solutions for fragile settings

Private sector
Expands insurance markets and CDRFI access

Global public goods
Delivers cutting-edge analytics and knowledge on CDRFI

Capacity building
Provides tailored solutions to build government capacity for CDRFI

Source: World Bank. Abbreviations: CDRFI = climate and disaster risk finance and insurance; CSOs = civil society organizations ; FCV = fragility, conflict, and violence.

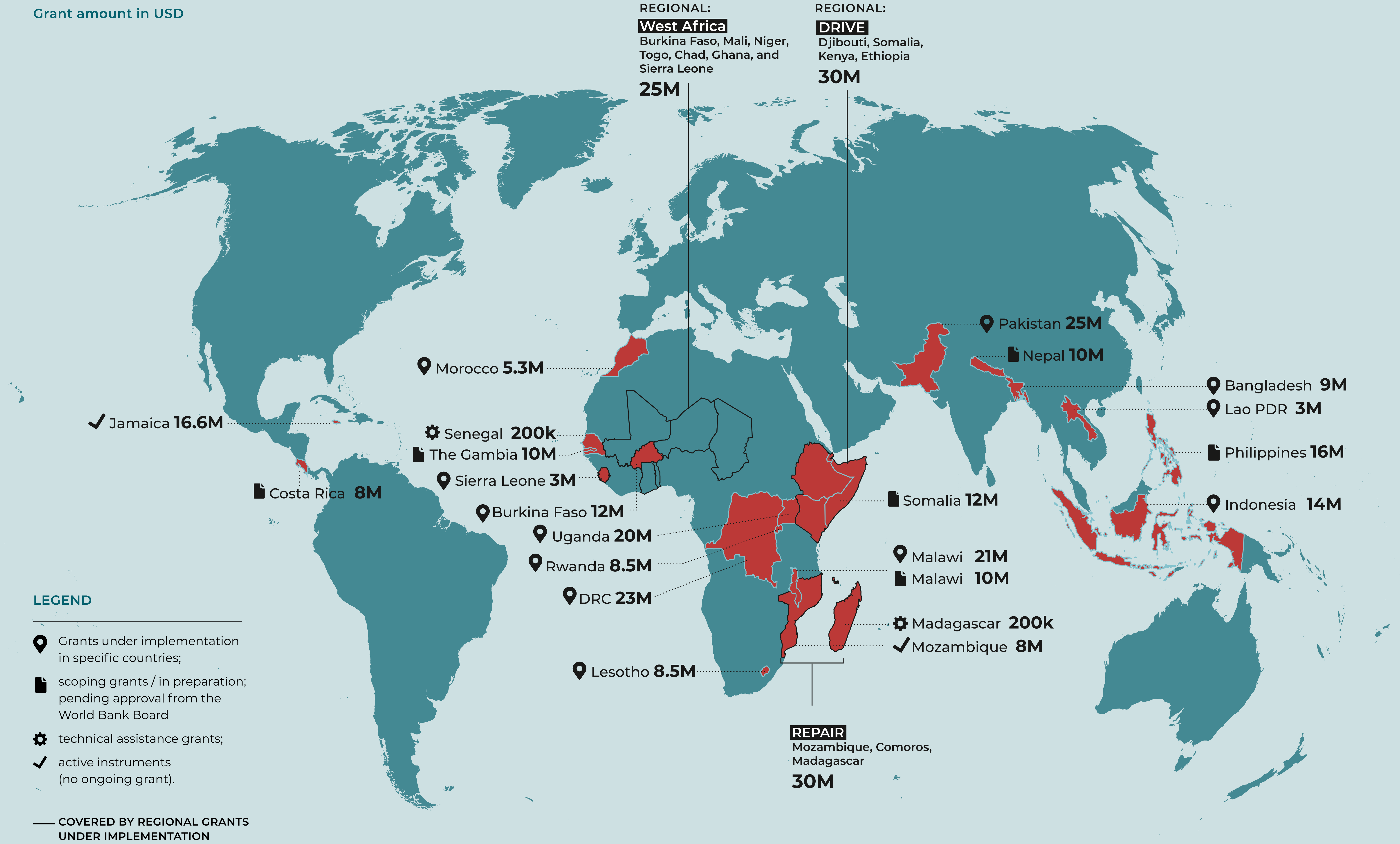
GSFF's role is to respond to countries' requests for CDRFI support through inclusive, country-led processes, thereby facilitating increased access to financial instruments and mechanisms that protect from the impacts of disasters.

GSFF's IMPACT

2

WHERE WE WORK

Grant amount in USD



HOW DISASTER RISK FINANCE DELIVERS AT SCALE

Over the past fiscal year, GSFF significantly expanded its support to countries seeking to strengthen their financial resilience to climate shocks and natural disasters. By channeling grants into practical solutions, GSFF is helping households, businesses, and governments better prepare for, respond to, and recover from disasters.

GSFF-funded financial solutions provided active coverage in 15 countries through 22 instruments, 12 of which became newly operational in FY25. Through these instruments, over **US$4.1 billion** in financing was in place for countries to mobilize for disaster response.[9] Several projects piloted first-of-their-kind instruments, such as the world's first reported sovereign-level impact-based trigger for parametric insurance in Lao PDR and the Democratic Republic of Congo's first meso-level parametric insurance product for farmers.

As of the end of FY25, GSFF had a US$237.2 million portfolio of grants under implementation, with an additional US$71.2 million approved for projects in preparation. Grants totaling US$77.5 million were endorsed in FY25 for Costa Rica, The Gambia, Ghana, Malawi, Nepal, the Philippines, and Somalia.[10] Six of these grants focus on **linking DRF instruments with adaptive social protection (ASP) mechanisms**, and a US$1.5 million global engagement for strengthening links between CDRFI and ASP was also endorsed (see Section 3, p. 40).

About 4.2 million people were directly covered by disaster risk finance solutions funded by GSFF in FY25. Over half of these—53 percent—were women. GSFF's portfolio now spans climate-vulnerable regions on three continents, ensuring that support reaches people in countries where building financial resilience is most urgent. In addition to country-level grants, GSFF also provides funding to three regional initiatives in Africa, including the REPAIR (Regional Emergency Preparedness and Access to Inclusive Recovery) program in Eastern and Southern Africa.

GSFF is committed to protecting livelihoods when crises occur by providing funding for instruments that **safeguard employment in agriculture and MSMEs**. Almost half of all instruments active in FY25 provided coverage directly

9 Of this, US$3.4 billion represents financing for disaster response in place in Indonesia, with the state asset insurance program (Program Asuransi Barang Milik Negara, ABMN) and the Pooling Fund for Disaster (Pooling Fund Bencana, PFB) making up US$2.9 and US$0.5 billion, respectively.

10 The project in Ghana is not moving forward due to fiscal consolidation in the country. Instead, Ghana will benefit from a US$200,000 technical assistance grant from GSFF starting in FY26. The grant for Nepal was endorsed, but preparatory work did not commence in FY25.

for farmers, pastoralists, and small businesses—the backbone of the economy in countries like Malawi or the Democratic Republic of Congo.

GSFF-funded instruments fulfill their purpose: nine financial instruments were triggered in FY25, providing over US$31 million in payouts. These crucial **emergency funds reached over 660,000 people across seven countries**, including Comoros and Mozambique (see p. 39).

Transferring risk to (re)insurance markets is central to the success of GSFF-funded projects. In FY25, US$3.2 billion in sum insured was made accessible from (re) insurance markets in 10 countries.[11]

In addition to providing financing for CDRFI instruments, GSFF funding supported development of risk analytics, national legislation, and risk financing strategies. All three help countries embed CDRFI into their broader financial resilience and development agendas. In FY25, **GSFF funding supported the development of at least 10 legislative documents** to enable the placement of DRF instruments. GSFF funding also supported the development or improvement of five national disaster risk finance strategies and at least 12 analytical products.

GSFF strengthened **collaboration with partner institutions** in FY25 by providing transfers to support their implementation of complementary initiatives, thereby ensuring coherence, efficiency, and broader impact across the CDRFI landscape. Four transfers totaling US$61 million were provided to the World Food Programme (WFP), the United Nations Children's Fund (UNICEF), and the Asian Development Bank (ADB).

In 12 countries across three regions, GSFF-funded projects were in the implementation stage in FY25. Preparatory work commenced in five additional countries, and technical assistance was provided in two. Annexes 2 and 3 provide detailed information on country-level and regional projects.

The progress achieved this year demonstrates how targeted investments in CDRFI can drive systemic change in which governments move from reactive crisis response to proactive risk management. **Detailed results across all indicators are presented in the Results Framework** (Annex 4, p. 135). Building on these achievements, GSFF will continue to catalyze innovation, scale proven approaches, and ensure that the most vulnerable remain at the center of efforts to build financial resilience.

11 Of this, US$2.9 billion in sum insured made accessible from (re)insurance markets represents Indonesia's state asset insurance program (Program Asuransi Barang Milik Negara, ABMN).

BOX 1:

Alignment of the GSFF Results Framework with the World Bank Group Corporate Scorecard

In FY25, GSFF aligned its Results Framework with the methodology used for the new Corporate Scorecard of the World Bank Group. As a result of these methodological changes, some of the results reported in this year's annual report cannot be directly compared to those presented in previous reports.

Introduced in 2024, the World Bank Corporate Scorecard (CSC) is both a yardstick of accountability and a cornerstone of the World Bank's efforts to increase its efficiency, impact, and results. The CSC consolidates reporting from key institutions under a unified set of indicators. More specifically, it provides an overview of the World Bank's performance and progress toward its goals across a set of 50 indicators (8 for Vision, 22 for Client Context, and 20 for World Bank Group Results).

The GSFF Results Framework, first designed in 2022, overlaps with the Corporate Scorecard on the reporting of beneficiaries, private capital mobilized (PCM), and private capital enabled (PCE).

ANNEX 5 DETAILS THE CHANGES TO THESE INDICATORS.

Country Highlight: LAO PDR

COOPERATION WITH REGIONAL INSTITUTIONS FOR FINANCIAL RESILIENCE

Lao PDR, a landlocked country of 7.5 million people, faces some of the highest disaster-related risks in Southeast Asia. Floods, tropical storms, and droughts have repeatedly set back development gains; annual expected losses from floods alone are estimated at 2.8–3.6 percent of gross domestic product (GDP). Major events—such as the back-to-back floods in 2018 and 2019, and Cyclone Yagi in September 2024—have highlighted the urgent need for reliable and rapid DRF sources.

The World Bank's new Lao PDR: Improved Access to Disaster Risk Financing project aims to bolster Lao PDR's financial resilience to disasters by facilitating access to sovereign-level insurance solutions. The sovereign parametric flood insurance product is offered by the insurance company that forms part of the Southeast Asia Disaster Risk Insurance Facility (SEADRIF), a regional platform of the Association of Southeast Asian Nations (ASEAN).

GSFF funding ensures that Lao PDR can continue to access and pioneer innovative risk financing solutions in the ASEAN region. In FY24, the GSFF Steering Committee endorsed a US$3 million grant to support Lao PDR in renewing its parametric insurance policy with SEADRIF.

The GSFF grant, complemented by an additional US$600,000 through the Risk Finance Umbrella Multi-Donor Trust Fund,[12]

GSFF funding ensures that Lao PDR can continue to access and pioneer innovative risk financing solutions in the ASEAN region.

12 Of this total RFU MDTF contribution, US$400,000 was allocated for the insurance premium payment, while US$200,000 was earmarked to assist the recipient in managing environmental and social risks associated with activities funded by the payout and to strengthen capacity throughout the project implementation period.

helped finance the premium for a two-year policy, which was incepted in May 2025. This third policy builds on the original SEADRIF product, which provided Lao PDR with rapid payouts, including US$3 million in payouts after Cyclone Yagi. Overall, US$4.5 million has been disbursed through this product since 2021. While the first policy was financed by the IDA, the second policy was funded using profit earnings from SEADRIF.

INNOVATION AND LOCAL OWNERSHIP TO CHART THE WAY FORWARD

The renewed policy offers up to US$16 million in financial protection against multiple perils, including floods, tropical cyclones, earthquakes, and landslides. Importantly, it features the world's first reported sovereign-level impact-based trigger. Payout triggers are based on the annual aggregate number of people affected by disasters, as reported by the National Disaster Management Office (NDMO) and verified through an independent framework and with additional objective data sources. Once the triggers are met, payouts are released within 10 business days.

The early implementation of the previous product provided valuable lessons for strengthening Lao PDR's disaster risk insurance. Initial parametric triggers required revision to ensure stronger alignment with government needs and local realities, and operational delays slowed claims and disbursements. SEADRIF worked closely with the government and the (re)insurance industry to ensure that the updated trigger design reflected government priorities while remaining attractive for reinsurers. Leveraging government-reported data, the new policy is expected to accelerate claims processing, improve fund distribution and enhance government ownership. This adaptive approach reflects GSFF's and the World Bank's commitment to continuously improving support to client countries.

H.E. MR. SOULIVATH SOUVANNACHOUMKHAM, VICE MINISTER OF FINANCE, LAO PDR

"Lao PDR's journey from disaster response to proactive financial preparedness reflects our commitment to protecting our people, our economy, and our future. By integrating disaster risk finance into national systems, we are advancing efforts to build a more resilient nation—one that can respond swiftly, recover more robustly, and preserve hard-won development gains. Resilience is not built in isolation; it is forged through vision, reform, and the power of partnerships that turn risk into readiness and uncertainty into opportunity."

Engagement with the private sector has been fundamental to the success of this innovative product. Gallagher Re served as the key technical partner in developing this policy and acts as both the reinsurance broker and the calculation agent. The parametric structure is backed by thorough analytical work carried out by the Gallagher Re team. The policy is reinsured by international markets, with half the capacity from Asia and participation from London, Tokyo, Singapore, Hanover, and Zurich.

This innovative policy not only strengthens Lao PDR's financial resilience but also provides lessons for the ASEAN region and countries worldwide. As one of the first countries globally to pilot an impact-based trigger at scale, Lao PDR is helping define a new generation of sovereign insurance solutions that are simple, context-appropriate, and rapidly mobilized.

COUNTRY HIGHLIGHT: PAKISTAN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RISK FINANCING TO PROTECT JOBS, STRENGTHEN FINANCIAL RESILIENCE, AND BOLSTER RECOVERY

Pakistan, ranked among the five most climate-vulnerable countries in the world, is highly exposed to recurring floods, droughts, and other climate-induced disasters. The 2022 floods inundated nearly one-third of the country, affecting close to 33 million people and causing approximately US$30 billion in damage and losses. Only about 0.7 percent of those losses were insured. The crisis underscored the urgent need to expand access to financing available in advance of disasters and to strengthen the financial resilience of Pakistan's economy and communities.

Microfinance has long served as a lifeline for low-income households, women, and rural entrepreneurs in Pakistan. But lenders are often unwilling or unable to assume the significant risks of lending in disaster-prone areas, especially when they face financial stress due to defaults. In turn, the lack of access to credit pushes vulnerable borrowers into worse economic conditions.

In FY25, GSFF's support to Pakistan quickly translated into tangible results.

GSFF is playing a key role in helping Pakistan chart a path toward greater financial resilience. In March 2025, the World Bank's Board of Directors approved US$102 million in financing for the Resilient and Accessible Microfinance (RAM) Project, which aims to enhance access to microcredit and support the financial resilience of the microfinance sector and its borrowers, particularly in the face of climate-related shocks. The project, implemented by the Ministry of Finance through the State Bank of Pakistan, is co-financed by a US$25 million GSFF grant.

At the heart of GSFF's support is the establishment of the Climate Risk Fund (CRF), a wholesale financing vehicle that, in total, provides US$105 million in contingent liquidity for eligible microfinance providers whose borrowers are impacted by a qualifying flood. The CRF also offers a US$20 million line of credit for microfinance providers so that they can pilot the bundling of loans with innovative agri-tech companies. Nearly 1.9 million people are estimated to benefit from these instruments over the project's five-year span.

RAPID RESULTS FOR VULNERABLE POPULATIONS

In FY25, GSFF's support to Pakistan quickly translated into tangible results. Within just three months of approval, the full GSFF contribution was disbursed to capitalize the newly established CRF—a rapid turnaround that ensured immediate operational readiness. By June 2026, the CRF is expected to be further reinforced by a parametric insurance backstop, which will protect the fund's capital against severe shocks, transfer some of the climate risks outside of the country, and ensure continuity of financial services even during catastrophic events.

GSFF support to Pakistan is embedded within the Global Shield In-Country Process, and Pakistan is the first country in Asia to finalize and submit a national request for Global Shield support (presented at COP29 in Baku in November 2024).[13] The request highlights priority areas such as expanding shock-responsive social protection, scaling up climate risk insurance for farmers, and strengthening protection of critical infrastructure. GSFF's investment in microfinance resilience directly complements these national priorities, ensuring that vulnerable households are better protected when disasters strike.

In FY25, the RAM project also completed innovative risk modeling that overlaid climate risks with the loan portfolios of participating microfinance lenders. This approach strengthened the final design of the CRF and tailored it to Pakistan's context. Building on this foundation, the next phase will focus on designing a parametric insurance backstop and advancing drought and heat risk modeling.

GSFF support to Pakistan is embedded within the Global Shield In-Country Process

13 COP29 is the 2024 Conference of the Parties of the United Nations Framework Convention on Climate Change (UNFCCC).

REGIONAL HIGHLIGHT:

EASTERN AND SOUTHERN AFRICA

A REGIONAL DISASTER RISK FINANCE PLATFORM TO SAVE LIVES AND LIVELIHOODS IN AFRICA

Eastern and Southern Africa, home to about 700 million people, faces some of the most severe climate-related challenges globally. Devastating floods, severe tropical storms, and prolonged droughts impact lives, livelihoods, and infrastructures. In the aftermath of these events, mobilizing financing quickly is crucial to cover losses and damage, mitigate long-term impacts, and limit people's resort to negative coping mechanisms.

In July 2024, the Board of Directors of the World Bank approved the REPAIR program, a regional platform designed to strengthen the financial and operational preparedness of up to 12 countries in Eastern and Southern Africa to climate shocks, such as droughts, floods, or tropical cyclones. The program aims to reach US$926 million of total financing in three phases, with Comoros, Madagascar, and Mozambique having joined during Phase 1 in FY25.

The REPAIR program is pioneering a truly African disaster risk finance platform.

REPAIR provides countries with disaster risk finance solutions, ready to be disbursed within seven days after disasters. It offers a suite of financial instruments that respond to moderate, severe, and catastrophic climate shocks, including reserves, contingent financing, and sovereign parametric insurance. In addition, REPAIR strengthens the operational preparedness of delivery channels to allow emergency funds to reach their intended beneficiaries rapidly and effectively. REPAIR also created a regional platform for capacity building and peer-to-peer learning on disaster risk finance and insurance.

REPAIR is the culmination of over a decade of hands-on experience and deep commitment to disaster risk finance in Eastern and Southern Africa. More than just a technical solution, it is a holistic program shaped by the real challenges and aspirations of the countries in the region.

A US$30 million GSFF grant supports the creation and operationalization of the Regional Climate Risk Fund, managed by the African Risk Capacity Limited, which supports countries with a regional team and country-based staff. In FY25, US$259.5 million in coverage through reserves and contingent financing was provided for Comoros, Madagascar, and Mozambique.

MURYELLE RABEMANANJARA,
HEAD OF DEPARTMENT, MINISTRY OF ECONOMY AND FINANCE, MADAGASCAR

"The REPAIR program offers a unique blend of financial instruments, including reserves, contingent financing, and sovereign insurance, which will complement Madagascar's existing DRF mechanisms. One of the key benefits of REPAIR is that it will improve the coordination between financial instruments and response mechanisms, ensuring that funds are mobilized efficiently. Additionally, the program will provide technical support to strengthen financial planning, helping Madagascar build a more resilient disaster response system."

REPAIR is built on three core principles: **speed**, **flexibility** and **sustainability**.

Speed—to ensure timely disbursement of funds; flexibility—to empower countries to allocate resources according to their specific needs; and sustainability—to leverage financing from both public and private sources for long-term financial resilience.

The REPAIR program is thus pioneering a truly African disaster risk finance platform that showcases how countries can pool funds and share experiences to address the common challenges caused by climate change. In March 2025, delegations from 10 countries, private sector stakeholders, and representatives of the African Development Bank (AfDB) and the Agence Française de Développement (AFD) met for a regional workshop that marked a milestone in exchange of CDRFI knowledge and solutions relevant to the region.

REPAIR utilizes several instruments of the World Bank's Crisis Preparedness and Response Toolkit. It leverages the IPF DDO (Investment Project Financing with Deferred Drawdown Option) to increase the amount of available financing for rapid and cost-effective disbursements, and it complements the Contingent Emergency Response Component (CERC), Contingent Emergency Response Project (CERP), and Rapid Response Option (RRO).

FINANCIAL SOLUTIONS WITH REAL IMPACTS IN THE FACE OF DISASTERS

In FY25, as part of the first phase of REPAIR, **Comoros, Madagascar, and Mozambique** created the Regional Climate Risk Fund, which provides reserves and contingent financing in partnership with the regional implementing agency ARC Ltd. Both Comoros and Mozambique activated these instruments to provide food, water, medical kits, and emergency shelters to populations impacted by two tropical cyclones, Chido in December 2024 and Jude in March 2025. In countries where most people rely on subsistence agriculture, the impact was particularly severe for small farmers, whose crops suffered extensive damage. Comoros and Mozambique were able to provide emergency relief to **safeguard farmers' livelihoods**. This response has encouraged other countries across Southern and Eastern Africa to further invest in climate resilience in order to be financially and operationally prepared when disasters hit. In July 2025, five additional countries—Angola, Burundi, Malawi, the Seychelles, and Zambia—joined Phase 2 of REPAIR.

HADDIDJA ALO, CITIZEN OF BWEDZA IN ANJOUAN, COMOROS, WHO BENEFITED FROM WATER SUPPLY AFTER CYCLONE CHIDO

"[Before emergency aid] we had to drink water from the river, do laundry, wash dishes and even throw diapers in it. (...) I give thanks to God. Today we are fortunate to benefit from this chance."

© Direction Generale de la Securite Civile

Photo of delivery of emergency supplies in Comoros after Cyclone Chido

FY25 PRIORITY:

Disaster Risk Finance for Adaptive Social Protection

3

The outsized impacts of climate change on people living in poverty highlight the need for social protection instruments that provide timely and well-targeted relief after natural disasters.

Under the term adaptive social protection, shock-responsive social protection programs that reduce both the immediate and long-term impacts of climate change on poverty have garnered increased attention in recent years. ASP helps build the financial resilience of low-income and vulnerable households by investing in their capacity to prepare for, cope with, and adapt to shocks, thereby ensuring that they do not fall deeper into poverty or resort to negative coping mechanisms that could jeopardize their livelihoods.

A key challenge for the implementation of ASP programs in countries strongly affected by climate change impacts is the **timely and cost-effective provision of financing**. CDRFI strategies and mechanisms cater to such financing needs, and ASP systems present opportunities for efficient, transparent, and needs-based distribution channels for these financial resources. By linking CRDFI "money-in" instruments with ASP "money-out" channels, governments can ensure that funds arranged for post-disaster response can be directly distributed through social protection systems. For example, payouts from sovereign insurance policies can rapidly and transparently reach the people who most need support when disasters strike.

This is why a new dedicated window under GSFF focuses on using ASP programs to deliver CDRFI solutions that target the most vulnerable populations. The new window was launched at a COP29 event organized by the German Federal Ministry for Economic Cooperation and Development and Luxembourg's Ministry of the Environment, Climate and Biodiversity. This approach will maximize the people-centered impacts of the CDRFI solutions that GSFF supports and will ensure that GSFF-financed solutions are well targeted and can be predictably mobilized. Integrating CDRFI mechanisms with existing national social protection systems can also help increase ownership, in turn ensuring that CDRFI solutions are integrated into homegrown initiatives of climate-vulnerable countries. Collaboration on this topic now also forms a cornerstone of GSFF's fruitful cooperation with the World Food Programme (WFP), as outlined in Box 2.

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LAUNCH OF NEW DRF4ASP WINDOW AT COP29

CRDFI-linked adaptive social protection is crucial for protecting jobs and livelihoods in a world of increasing uncertainty.

Shocks such as climate-related disasters often disrupt labor markets, destroy assets, and limit income opportunities. By linking social protection to employment and livelihood support, adaptive systems can help people maintain productive activities during a crisis, access temporary income, and rebuild assets and skills when the immediate crisis has passed. They also create pathways for workers in informal or climate-sensitive sectors to transition toward more sustainable and resilient livelihoods. In this way, ASP not only prevents setbacks in times of crisis but also fosters inclusive growth and economic resilience over the long term.

GSFF has been at the forefront of efforts to link financing for post-disaster response to ASP systems. **Sierra Leone** was the first country to use GSFF funding to explore how disaster risk finance can be used to build an ASP system; it has received two GSFF grants totaling US$5.5 million. From FY20 to FY23, the first grant—worth US$2.5 million—supported the enhancement of triggers and disbursement systems for the scalable mechanism of the country's flagship cash transfer program, Ep Fet Po. In **Malawi**, GSFF support ensured that women benefited from adaptive social protection, in line with GSFF's Gender Strategy. The country's cash transfer program guaranteed women's participation in the system's governance and in FY25 enabled record-fast payouts, reducing disbursement time from six months to one month. Drought-triggered payouts in FY25 reached around 330,000 people, with women-headed households prioritized in the targeting process.

BOX 2:

Collaboration with the World Food Programme

GSFF and the World Food Programme (WFP) have been working together on several initiatives aimed at designing and implementing financial protection solutions for vulnerable populations facing the devastating impacts of climate shocks, disasters, and crises.

Building on the two partners' respective strengths, this strategic collaboration seeks to develop financial instruments whose payouts efficiently reach their intended beneficiaries. Most recently, the partnership has focused on CDRFI-linked adaptive social protection.

Operational partnership: GSFF and WFP have partnered to learn from each other as they collaborate through their operational programs to build financial resilience. Among other strengths, WFP's experience as an implementer on the ground is valuable for last-mile delivery, especially in ensuring that vulnerable communities are reached with appropriate protection mechanisms.

In **Bangladesh**, for instance, where WFP has a longstanding engagement, the program is the operational delivery partner for a US$9 million GSFF grant that is cofinancing a US$102 million World Bank project to develop the country's first sovereign index-based risk transfer product linked to a contingency fund. WFP will ensure that support is well targeted and delivered, leveraging its anticipatory action program's beneficiary registry for the government's program, which is expected to cover 100,000 households. This will enable a continuum of support through the government's program that will be activated post-shock.

Direct transfer of GSFF funds: Through the World Bank's transfer-out mechanism, GSFF facilitates the transfer of funds to eligible multilateral development banks and UN agencies. Under this arrangement, WFP received US$20 million in 2022 to expand its climate and disaster risk finance cover in 23 countries, with a focus on the ARC Replica program and on regional risk pools. In FY25, a new US$16 million transfer-out had a focus on adaptive social protection, including an effort to scale up the integration of macroinsurance with ASP systems and a deepening of WFP's engagement in Global Shield priority countries.

(Continued)

Capacity building and knowledge sharing: The partnership also extends to sharing operational knowledge and developing joint capacity-building initiatives. The GSFF Secretariat and WFP are working together to develop joint principles for people-centered CDRFI to inform both the incorporation of ASP into the Global Shield In-Country Process and the implementation of CDRFI-linked ASP programs across Global Shield countries.

In March 2025, GSFF and WFP held a workshop in Rome where they dived deeply into the subject matter, reviewed countries of focus, and connected operational teams. Expected outputs for FY26 include a joint learning agenda as well as a note on joint principles for CDRFI-linked ASP, based on the partners' respective operational experience. The objective is to optimize financing to provide maximum protection for the vulnerable, including women and other at-risk groups.

IN FY25, SIX NEW GRANTS WITH CDRFI-LINKED ASP APPROACHES WERE APPROVED BY THE GSFF STEERING COMMITTEE.

They support projects in Costa Rica, The Gambia, Ghana, Malawi, the Philippines, and Somalia. In addition to these country-level activities, a GSFF-funded World Bank technical program aims to document operational experiences with CDRFI-linked ASP programs worldwide (see Box 3).

The GSFF Steering Committee endorsed a US$10 million GSFF grant to develop two CDRFI instruments in **The Gambia** that will strengthen the financial resilience of the country's social protection system. The creation of a sub-window within a national contingency fund dedicated to emergency cash transfers following climate shocks would allow an estimated 775,000 climate-vulnerable individuals to benefit from rapid financial assistance. This would be complemented by a sovereign insurance product whose payouts would be disbursed via the social protection system in the case of extreme floods or windstorms.

In the **Philippines**, the implementation and evaluation of a pilot anticipatory cash transfer approach is expected to be supported by a US$8 million GSFF grant. The grant is expected to enable the government to increase the number of households participating in the pilot from 1,000 to 17,000. Additionally, improvements to the national social registry and digital infrastructure would make it easier for an estimated 5 million people to receive government assistance when there is a disaster.

A US$12 million GSFF grant was approved to aid in designing a trigger for emergency cash transfers in **Somalia**. The grant, which will be awarded upon approval of the associated World Bank project, would enable Somalia to scale up its social safety net program in response to climate shocks and to expand pastoralists' access to insurance and credit. The engagement in Somalia exemplifies GSFF's focus on fragile and conflict-affected settings, where ASP mechanisms can be of especially great value to vulnerable people.

In **Costa Rica**, a US$8 million grant is expected to finance the design and implementation of new or improved social protection measures, to be activated when a shock occurs, for vulnerable households in risk-prone areas.

The GSFF Steering Committee also approved a new US$10 million grant for **Malawi**, a country that is currently benefiting from a US$21 million grant to support various CDRFI measures, including design of a scalability mechanism for the government's cash transfer program. The new grant is expected to finance additional investments in risk transfer instruments to backstop the social protection fund and to enable dynamic inclusion of beneficiaries.

Finally, in **Ghana**, a US$9 million GSFF grant was approved to strengthen the national social safety net, Livelihood Empowerment Against Poverty (LEAP). Due to the government's fiscal consolidation, however, the project is not moving forward. Instead, Ghana will benefit from a US$200,000 technical assistance grant starting in FY26.

BOX 3:

Global Advisory Services and Analytics Project on Adaptive Social Protection

How best to link CDRFI instruments and adaptive social protection systems is not yet fully understood. Lessons learned and best practices are only emerging and will need to be refined and systematized if the potential of this linkage is to be fully harnessed for beneficiaries.

A GSFF-funded World Bank technical program aims to document operational experiences with CDRFI-linked ASP programs worldwide, and specifically to identify challenges and facilitate replication of successes across countries. The goal is to provide a blueprint for scaling up of CDRFI-linked ASP through cutting-edge analytical products on topics such as dynamic social registries, data innovations, trigger design, and integration across social protection instruments, including savings, social insurance, and labor programs.

The expected outputs include, among others, a standardized review of a broad set of global ASP programs linked to CDRFI instruments, in-depth case studies of a subset of countries, working papers on some of the abovementioned topics, and dissemination events as well as training materials and workshops to support peer learning.

The project will contribute to the Global Shield In-Country Process while also allowing the lessons learned through the process to be taken up across a wider range of countries.

KEY FOCUS AREAS

4

FOSTERING RESILIENCE, PROTECTING LIVELIHOODS

As climate shocks grow more frequent and severe, they disrupt economies by damaging assets, interrupting supply chains, and tightening credit conditions. For MSMEs, which make up about 70 percent of formal jobs in emerging markets, the stakes are especially high. Meeting the global demand for 600 million new jobs by 2030 will depend heavily on the growth of small and medium enterprises (SMEs), yet 41 percent of SMEs in least developed countries cite access to finance as a major constraint, compared to 30 percent in middle-income and just 15 percent in high-income countries.

GSFF works with governments to address these vulnerabilities head on, specifically by supporting the design and implementation of CDRFI instruments that **maintain economic activity, safeguard jobs, and ensure the continuity of critical sectors during and after crises.** There is a particular focus on protecting the economic participation of women (Box 4).

These solutions operate at multiple levels—sovereign, meso, and micro—by channeling resources through budgetary funds, credit guarantee programs, and financial institutions, or directly to businesses (for example, through insurance coverage) (Figure 5). GSFF grants have funded the creation of new insurance products to **protect agricultural producers and MSMEs as well as the capitalization of liquidity facilities to enable continued access to credit for MSMEs and firms after disasters.**

Technical assistance complements these effective CDRFI solutions by aiding governments in choosing the optimal combination of financial instruments to protect vital economic sectors and the livelihoods of the most vulnerable.

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BOX 4:

Keeping Women in the Workforce, especially after Disasters

GSFF integrates considerations related to women into every stage of its CDRFI support—from the design of financial instruments to the way payouts are delivered. In FY25, more than half of beneficiaries of GSFF-funded projects were women.

Across diverse contexts, GSFF funding enabled governments and their partners to achieve the following:

- **Embed gender-sensitive design** in DRF instruments to ensure that eligibility criteria, targeting approaches, and delivery channels actively include women, women-led households, and women-owned MSMEs.
- **Close financial access gaps** to help women entrepreneurs and workers sustain their livelihoods during and after climate shocks. GSFF grants support instruments that help women by providing working capital, emergency liquidity, and premium subsidies. In Pakistan, the Climate Risk Fund set a gender on-lending target for FY25 that required microfinance lenders to use pricing incentives to reduce the loan size gap between men and women. In Burkina Faso, a restructured partial portfolio credit guarantee reallocated resources to women and MSMEs, expanding their post-crisis credit protection.
- **Link financing with delivery systems that reach women quickly** to build capacity in social protection programs, MSME registries, and public works schemes so that women receive timely payouts. In Malawi, GSFF support to the Social Cash Transfer Programme reduced disbursement times from six months to just one month in FY25, ensuring faster relief. Women-headed households were prioritized in payouts during the drought response, while women also gained stronger roles in system governance and national DRF technical groups.
- **Collect and use sex-disaggregated data** to strengthen monitoring and evaluation systems and better track the reach and impact of CDRFI instruments for women. In Burkina Faso, for example, guarantee schemes were redesigned following consultations with lenders that identified procedural barriers disproportionately affecting women borrowers.

By combining financial protection with operational readiness, GSFF enables countries to respond more quickly, protect more livelihoods, and reduce the long-term economic scars of disasters.

FIGURE 5. GSFF'S LEVELS OF INTERVENTION

PAYOUT RECIPIENTS

INTERVENTIONS	Government	Businesses	People
Sovereign/ macro	Any sovereign-level instrument for budget protection channeled to protect businesses and livelihoods (e.g., sovereign insurance)	Instruments that directly protect businesses (e.g., sovereign insurance)	Instruments that directly protect livelihoods (e.g., shock-responsive social protection)
Meso		Instruments that protect groups of businesses via associations or other means (e.g., insurance purchased by associations, FIs, or MFIs)	Instruments that protect groups of people (e.g., farmers, pastorialists)
Micro		Instruments purchased directly by businesses (e.g., business interruption cover)	Instruments purchased directly by people (e.g., crop insurance)

Government subsidies, enabling regulatory environment

Source: World Bank. Abbreviations: FIs = financial institutions; MFIs = microfinance institutions.

FY25 COUNTRY SPOTLIGHTS

In **Lesotho**, a US$8.5 million GSFF grant is financing two DRF instruments within a broader World Bank financial inclusion project: a resilience fund window in an existing contingency fund to provide emergency grants to eligible MSMEs, and a macro/sovereign insurance product to backstop the fund. These instruments aim to protect an estimated 20,000 MSMEs. In FY25, a pilot drought insurance policy was placed, covering the country until June 2025.

In **Burkina Faso**, a US$12 million GSFF grant originally financed an additional crisis response window in a partial portfolio credit guarantee (PPCG) that supports MSMEs, women, and smallholder farmers. In FY24, the stand-alone crisis window was transformed into a shock-responsive mechanism to backstop the three existing standard windows, thus increasing the financial protection available to women entrepreneurs. A decline in outstanding loans guaranteed by the crisis response window in FY25 suggests that this mechanism is enabling beneficiaries to manage shocks effectively and fulfill their loan obligations.

In the **Democratic Republic of Congo**, a US$23 million GSFF grant is enabling the launch of the country's first meso-level parametric insurance product, which will provide up to US$60 million in coverage over three years for 300,000 farmers adopting climate-smart agriculture. In FY25, the policy was signed, and the first tranche of premiums for the 2025 agricultural season was paid. GSFF support also funds a contingency plan for aligning payouts with CERC financing, and an additional US$3 million is allocated for technical assistance to build local capacity and strengthen CDRFI systems.

In **Pakistan**, a US$25 million GSFF grant cofinances the design, establishment, and capitalization of the Climate Risk Fund, which will provide US$105 million in liquidity for agri-tech lending and—following climate shocks—for microfinance lenders (see Section 2). In FY25, the project set a gender-focused on-lending target: microfinance lenders will apply pricing incentives to increase loan size parity between men and women. While 45 percent of active borrowers in the sector are women, loans to women were on average just two-thirds (64 percent) the size of loans to men. The project aims to raise this to 80 percent and thus expand women's access to the capital they need to recover and grow after shocks.

In **Rwanda**, a US$8.5 million GSFF grant is helping develop two financial instruments to protect 5,000 agribusiness MSMEs: a US$7 million bridge lending window for an agricultural credit guarantee program, and an insurance backstop. In FY25, a national DRF diagnostic was completed, and the implementing agency engaged a specialist and a consortium with MSME finance and insurance expertise to finalize the bridge lending window's trigger design and deliver training.

CREATING PARTNERSHIPS, LEVERAGING THE ROLE OF THE PRIVATE SECTOR

Closing the disaster protection gap in low-income countries requires more than government action alone: it demands strong partnerships that strategically combine public leadership with private sector capabilities. In many developing economies, less than 10 percent of disaster losses are insured. Domestic insurance markets, supported by international reinsurance, are crucial for enabling households, farmers, and businesses to recover from shocks while reducing the fiscal strain on governments. The private sector also contributes to resilience by sustaining livelihoods, maintaining supply chains, and fostering innovation in CDRFI solutions.

GSFF plays a pivotal role in fostering these partnerships, connecting governments with insurers, reinsurers, brokers, actuaries, risk modelers, and academic institutions. By mobilizing private capital, technical expertise, and academic knowledge, GSFF enables countries to develop market-ready financial instruments—such as sovereign risk transfer solutions, livelihood protection schemes, and public–private insurance programs—that expand protection, strengthen domestic insurance markets, and align with national resilience strategies.

PARTICIPANTS AT THE WB-IDF LEARNING WEEK

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HON. NOGUI ACOSTA (MINISTER OF FINANCE, COSTA RICA) SPEAKING AT THE INSURANCE DEVELOPMENT FORUM SUMMIT

Collaborations like the World Bank Group–Insurance Development Forum (WBG–IDF) Knowledge Partnership exemplify this approach. This collaboration makes the insurance industry's technical expertise more accessible to partner countries, thus enabling greater leverage of insurance and other financial solutions to close protection gaps. The partnership delivers the following:

- **Project-specific knowledge exchange** to improve the design and implementation of tailored financial instruments
- **Thematic knowledge sharing** on global best practices and innovations (see Box 5)
- **Executive education** to strengthen technical capacity in risk modeling, financing, and domestic insurance market development

"Developing cost-effective approaches in collaboration with public and private sector partners allows us to change the perception that disaster risk finance and insurance is an expense rather than an investment."

HIS EXCELLENCY NOGUI ACOSTA JAÉN (MINISTER OF FINANCE, COSTA RICA)

FY25 COUNTRY SPOTLIGHTS

In **Southern Africa**, the US$30 million GSFF-supported REPAIR project allowed Comoros, Madagascar, and Mozambique to establish new CDRFI instruments in FY25—including a contingent financing product and a parametric catastrophe risk insurance product with ARC Ltd. In FY25, the project convened 10 countries, the AfDB, AFD, and private sector to strengthen partnerships and expand shared CDRFI knowledge.

In **Indonesia**, a US$14 million GSFF grant supports the start-up and operating costs of the Pooling Fund Bencana (PFB)—the cornerstone of Indonesia's CDRFI strategy. The government is using the PFB to renew and expand its state assets insurance program (Program Asuransi Barang Milik Negara, ABMN). At the close of FY25, the program provided about US$3 billion in coverage for over 10,000 government buildings. About 20 percent of the risk is held by a domestic market consortium of more than 70 insurance companies, led by the state insurer Jacindo. Key reinsurers include, among others, SwissRe and MunichRe.

In the **Horn of Africa**, under the DRIVE (De-risking, Inclusion, and Value Enhancement of Pastoral Economies in the Horn of Africa) project, GSFF funding supported ZEP-RE, a leading reinsurer in Africa and a specialized institution of the Common Market for Eastern and Southern Africa (COMESA), to deliver regional risk infrastructure services. Index-based livestock insurance in Ethiopia, Kenya, and Somalia now covers over 3.2 million pastoralists and dependents—double the project's initial target. Since FY23, the insurance has paid out US$7.2 million, leveraging over US$100 million from the international reinsurance market. FY25 saw ZEP-RE reduce payout timelines to just five days after announcement, expand private sector distribution partnerships, and support government-led scale-up plans in Kenya and Ethiopia.

World Bank / Sumati Rajput

BOX 5:

Building Capacity at the Disaster Risk Finance and Insurance Learning Week—Venice 2025

From June 3 to June 6, 2025, the GSFF Secretariat led the delivery of the Disaster Risk Finance Academy: Learning Week in collaboration with the Insurance Development Forum (IDF), a flagship event under the GSFF–IDF Knowledge Partnership. Hosted alongside the IDF Summit in Venice, Italy, the four-day program convened 25 delegations from eight countries— Angola, Bangladesh, Costa Rica, Democratic Republic of Congo, Kenya, Morocco, the Philippines, and Senegal—spanning five regions.

The event was organized with the Multilateral Investment Guarantee Agency (MIGA) and the International Finance Corporation (IFC), supported by the World Bank Group Academy Unit, and enriched by the expertise of Ca' Foscari and Bocconi Universities. Sessions explored innovations in climate and interconnected risk analysis, sovereign risk transfer, livelihood protection, and the use of insurance to drive disaster risk reduction.

Throughout the week, countries shared practical experiences that have shaped progress on disaster risk finance solutions, such as improving coordination across ministries, strengthening regulatory frameworks, mobilizing resources to cover insurance costs, and building the technical skills needed to engage effectively with the insurance industry.

To close the results-focused event, delegations committed to advancing their national CDRFI agendas: Bangladesh pledged to seek technical assistance to begin designing a parametric insurance product and expand engagement with private insurers; Costa Rica committed to protecting public infrastructure through a new parametric insurance scheme; and Morocco announced plans to extend the coverage of its Solidarity Fund to urban floods while exploring parametric options for agriculture. At the same time, countries like the Philippines, Senegal, and Angola committed to publishing or updating their DRF strategies, a signal of growing championship of CDRFI solutions at the highest levels of government.

DRIVING COLLABORATION, ADVANCING THE GLOBAL POLICY DIALOGUE

PROGRAMMATIC ADVISORY SERVICES AND ANALYTICS PROJECT

2024 marked the second year of GSFF's Programmatic Advisory Services and Analytics (PASA) project, which offers analytical, policy, and knowledge management solutions that increase vulnerable countries' access to financial protection against climate shocks, disasters, and crises.[14] In FY25, progress was made across a range of activities that are aligned with GSFF's four pillars of action (see Section 1, p. 21).

14 Initially extended to five years, the PASA was shortened to three years (ending in 2026), and deliverables were adjusted accordingly.

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PILLAR 1.
GLOBAL GOODS AND ANALYTICS.

Completed deliverables include (i) a CDRFI analytics stock analysis; (ii) a Global Shield prioritization framework; (iii) a joint note with the Network for Greening the Financial System (NGFS) on compound risks, which is a practical toolkit for central banks and supervisors to support the incorporation of compound risks into climate scenario analysis; (iv) and the Next Generation Drought Index Dashboard. Deliverables in advanced stages include technical notes on CDRFI analytics, a technical report on value-for-money analysis, and a web-based application for the Enabling Environment and Progress Assessment (EEPA) tool for the development of public asset financial protection.

PILLAR 2.
ENGAGEMENT WITH HUMANITARIAN PARTNERS AND CSOs.

Completed deliverables include pilots in Bangladesh and Somalia to integrate humanitarian work into DRF diagnostics and a partnership on adaptive social protection with WFP (see Box 2, p. 43). Ongoing work focuses on developing joint principles for shock-responsive social protection and inclusion of humanitarian partners in capacity-building engagements.

PILLAR 3.
CDRFI SUPPORT TAILORED TO CLIENT NEEDS.

Completed activities include gender integration in GSFF programming, a note on public-private partnerships for insurance in the context of Italy's G7 (Group of Seven) presidency, and a guidance note on Monitoring, Evaluation, and Learning (MEL) systems for CDRFI. Ongoing activities include the 2025 GSFF project pipeline and the Women in Risk Finance podcast series. Plans in FY26 include engagement with multilateral development banks on CDRFI and potential collaborations on capacity building with Harvard and Columbia Universities.

PILLAR 4.
MOBILIZING OF PRIVATE CAPITAL.

Highlights include the Learning Week in Venice (with IDF, Ca'Foscari University, and Bocconi University) and active participation in four IDF working groups. A "Digital for DRF" policy note, developed with partners, will likely be launched in 2025 at the margins of the Singapore FinTech Festival.

SEE ANNEX 1 FOR A LIST OF GSFF PUBLICATIONS AND COMMUNICATIONS PRODUCTS.

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GLOBAL POLICY DIALOGUE

GSFF continues to play an active role in shaping the international dialogue on CDRFI and thus ensures that resilience financing remains high on the agenda of global platforms.

In FY25, GSFF supported the G7 in advancing dialogue on CDRFI by co-authoring a joint technical note entitled "Mobilizing Public-Private Solutions to Manage the Financial Impacts of Natural Hazards in Emerging Market and Developing Economies." The note considers the role of public-private collaboration in helping to close the protection gap even in countries with no well-established insurance sector. In March 2025, GSFF was invited to host an event in Rome to launch the paper. The event featured a high-level roundtable attended by senior officials from Italy's Ministry of Economy and Finance and international stakeholders.

GSFF contributed to discussions under the Group of Twenty (G20) Sustainable Finance Working Group, where CDRFI has become increasingly embedded in the broader dialogue on sustainable and climate finance. These exchanges provide an opportunity to align CDRFI with global financial sector reforms and sustainability agendas.

During COP29, in partnership with the Governments of Germany and Luxembourg, GSFF launched the DRF for Adaptive Social Protection (DRF4ASP) window at the Luxembourg Pavilion (see Section 3). The event convened development partners and governments working to integrate CDRFI into social protection systems. In addition, GSFF was invited to a high-profile event hosted by the Global Shield against Climate Risks, where the Global Shield announced the new ambition guiding its strategic direction.

VALUE FOR MONEY APPROACH

The World Bank Group's Crisis and Disaster Risk Finance unit has continued to implement and improve its Value for Money (VfM) approach, which provides a sound and transparent methodology and set of analytical tools to help governments determine the appropriate mix of different risk financing instruments in their layered CDRFI strategies. The VfM process relies on quantitative and qualitative analytics, including actuarial science, economics, and catastrophe risk modeling, brought together in a cost-effectiveness framework that has been adapted to include new instruments in the World Bank's Crisis Preparedness and Response Toolkit.

As part of the second phase of the GSFF-funded REPAIR project, the VfM process has been tailored to assess the optimal mix of instruments to suit the risk profile, objectives, and constraints of four of the countries to join in 2025 (Angola, Burundi Malawi, Zambia). In Zambia, a diagnostic identified a significant financing gap under the current strategy and showed that leveraging certain instruments (such as the World Bank's IPF DDO) and optimizing sovereign insurance arrangements could yield annual fiscal savings of up to 40 percent. In the Caribbean, the VfM analysis was conducted for **Belize**, **Grenada**, **St. Lucia**, and **St. Vincent and the Grenadines**. In each country, the existing sovereign risk transfer arrangements were assessed in detail; this exercise included a basis risk analysis and also considered use of new World Bank lending instruments like the Climate Resilient Debt Clause.

STRIVING FOR IMPROVEMENT, PROMOTING ADAPTIVE MANAGEMENT

GSFF remains committed to promoting adaptive management as a cornerstone of its approach. Recognizing that disaster risk finance operates in complex and evolving contexts, the Secretariat strives to continuously refine instruments, strategies, and partnerships.

Through systematic learning, regular feedback, and evidence-based adjustments, GSFF ensures that its support remains responsive, effective, and aligned with the needs of countries facing increasing climate and disaster risks. This iterative approach enables GSFF to adapt to shifting risk landscapes, integrate lessons from past experiences, and co-create more effective solutions with its partners. **In FY25, GSFF launched two evaluations** and continued to integrate regular portfolio reviews into its operating practices.

Trust fund evaluation: One of two ongoing processes is an external and independent evaluation of the trust fund. This evaluation assesses whether the GSFF's model is effectively delivering on its objectives and how it is strategically positioned within the evolving CDRFI landscape. It covers both GSFF and its predecessor, GRiF, across country and regional grants, scoping activities, and global goods. The process began with an inception phase in May 2025 and an initial technical presentation to partners in June. Data collection and analysis are underway, and findings will be validated through collaborative workshops with the Secretariat and Steering Committee in FY26. The final evaluation report will deliver actionable recommendations to strengthen GSFF's governance, operational delivery, and ability to demonstrate value for money to its partners.

Technical evaluation: The second evaluation is a targeted technical assessment, focusing on the pace of delivery of GSFF-supported CDRFI solutions. This work aims to identify and assess challenges to momentum and steady progress across the grant process, from grant approval to the placement of financial instruments supported by GSFF. The evaluation will compare GSFF grants with those from similar programs to identify and compare the enabling factors and bottlenecks that shape design and implementation of proposed solutions. Findings are intended to strengthen GSFF-funded project implementation and to inform learning across the sector. The final evaluation report is expected in FY26.

Portfolio reviews: GSFF's ability to remain flexible and adaptive is central to ensuring that resources are used effectively and projects achieve their intended impact. In FY24, GSFF introduced a structured portfolio review process to strengthen its monitoring approach. This process was fully integrated into GSFF's regular reporting practices in FY25. The reviews aim to identify projects where disbursements are delayed or progress is stalled. Through these reviews, the GSFF team works closely with task teams to identify challenges and agree on actions given the context. The purpose is not only to ensure accountability, but also to create flexibility for reallocating funds, addressing bottlenecks, and reprogramming resources to areas where they can have greater impact.

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LOOKING FORWARD

GSFF is in its third year of implementation, having launched in 2022 after evolving from an earlier entity, the Global Risk Financing Facility (set up in 2018). This report reflects the progress made by GSFF, building on GRiF, which is especially meaningful considering the time required to design and implement financial solutions for climate and disaster risks.

Going forward, GSFF will follow a balanced approach: it will invest in initiatives that deepen learning and share knowledge from implementation efforts, thus **enabling scaling and replication**, as well as in exploring new areas with proven concepts and untapped potential, thus unlocking innovation. This strategy is aligned with GSFF's core mission.

With continuously strengthened monitoring, evaluation, and learning systems, GSFF supports World Bank task teams in monitoring and boosting the progress of their CDRFI programming. Findings and recommendations from the ongoing trust fund evaluation and the technical evaluation will enable GSFF to enhance its governance, improve project implementation and operational delivery, and inform learning across the CDRFI sector.

Building on these insights, GSFF will further develop programs that focus on **preserving jobs and livelihoods impacted heavily by disasters**, considering that this is the World Bank's core priority for the future. Over the next decade, 1.2 billion young people in developing countries will reach working age—yet 300 million of them are not expected to find jobs or training opportunities. GSFF will continue to identify innovative solutions that can be embedded within World Bank development programs to prevent job loss and slowing of economic growth in developing countries.

GSFF will invest in initiatives that deepen learning and share knowledge from implementation efforts, thus enabling scaling and replication.

In addition, two new thematic areas will be introduced:

- **Exploring synergies between CDRFI and nature-based finance.** This is a promising frontier for sustainable risk management. Investments in natural capital can play a critical role in reducing disaster risk—protecting governments, households, and MSMEs while lowering overall CDRFI costs by improving insurability. Conversely, applying the CDRFI approach to nature-based finance can optimize such solutions.
- **Establishing more intentional links between CDRFI and disaster risk reduction (DRR).** This approach can improve targeting of interventions across the risk management spectrum and make interventions more affordable. Linking the two will allow ex-ante financing instruments to be integrated with systemic risk reduction activities, in turn enabling countries to move from reactive crisis management toward proactive, cost-effective resilience building.

In the future, GSFF's work on climate and disaster risk finance and insurance will continue to evolve with the World Bank Group's emphasis on the One World Bank approach, which leverages the complementary strengths of IBRD, IDA, IFC, and MIGA. This integrated model brings together contingent credit, insurance, guarantees, and capital market instruments within a coherent framework that aligns with upstream policy and technical support. By embedding CDRFI solutions into fiscal strategies and development plans, and by mobilizing private sector capital and expertise, the approach enhances efficiency and impact. Together, these efforts position the World Bank Group to deliver timely, cost-effective, and sustainable risk financing that protects lives, livelihoods, and development gains.

Annexes

1: GSFF Publications and Communication Products

2: Country Projects

3: Regional Projects

4: Results Framework

5: Methodological Changes to the Results Framework

6: GSFF's Contributions to Global Shield In-Country Processes

ANNEX 1.
GSFF Publications and Communication Products

Website

Newly published on the GSFF website: Where We Work

Women in Risk Finance Podcast Series

Episode #6: From Reactive to Proactive-Transforming Disaster Risk Finance in Malawi (featuring Chinsinsi Phiri, Economist, Debt and Aid Management Division, Ministry of Finance, Malawi)

Knowledge Visit

[Event Recap] From Insights to Action: Indonesia's Knowledge Visit to New Zealand on Disaster Risk Finance

Training and Knowledge Exchange Programs

[Event recap] Disaster Risk Finance and Insurance Learning Week 2025

[Event Recap] REPAIR Regional Workshop - Together, better prepared to REPAIR

Blogs

6 BLOG POSTS RELEASED:

1. Unraveling the disaster risk insurance dilemma
2. Disaster protection: How public-private insurance programs can make low-income countries more resilient
3. Global Shield Financing Facility Impact Story: Protecting Poor and Vulnerable Households in Malawi
4. The Global Shield Financing Facility's Commitment to Empowering Women in Disaster Risk Finance
5. REPAIRing from Shocks and Building Resilience: Transforming Disaster Risk Finance in Southern Africa
6. Strengthened Regulatory Oversight: A two-year-long capacity building program for the Central Bank of Somalia to play a leading role in developing the insurance focusing on the takaful market

In the Spotlight interview series

3 "IN THE SPOTLIGHT" INTERVIEWS RELEASED

1. In the Spotlight | Featuring: Yogi Rahmayanti - Driving Impact in Policy and Practice
2. In the Spotlight | Featuring: Muryelle Rabemananjara - Insights into Madagascar's preparedness for climate shocks
3. In the Spotlight | Risks Reduced, Resilience Raised: Saoirse Jones on Insurance with Purpose

Feature Stories

1 FEATURE STORY RELEASED

Surviving Cyclone Chido in Comoros: A Story of Hope and Resilience

Events

[Launch of WBG Policy Paper] Mobilizing Public-Private Solutions to Manage the Financial Impacts of Natural Hazards in Emerging Markets and Developing Economies

Videos

INTERVIEWS WITH PARTICIPANTS AT LEARNING WEEK 2025

Financing the Future: Staying Ahead of Disasters with Disaster Risk Finance

Nouaman Al Aissami, Director, Solidarity Fund Against Catastrophic Events (FSEC)

Nogui Acosta Jaén, Minister of Finance, Ministry of Finance

Bishar Fille Elmi, Director of Livestock Development, Ministry of Agriculture and Livestock Development

Kamrul Hoque Maruf, Joint Secretary, Ministry of Finance

Cheikh Diouf, Controller Commissioner at the Insurance Directorate, General Directorate of the Financial Sector of the Ministry of Finance and Budget

Publications

6 PUBLICATIONS RELEASED:

1. Potential for Risk Financing to Support Shock-Responsive Education Services
2. Takaful Technical Note: Lessons Learned from the Use of Parametric Takaful for Climate Risk in the HoA DRIVE Project
3. Mobilizing public-private solutions to manage the financial impacts of natural hazards in emerging market and developing economies
4. Global Shield Financing Facility-Annual Report 2024
5. Measuring Progress: Lessons from the World Bank's Climate and Disaster Risk Finance and Insurance Program
6. REPAIR: A Brief Overview

ANNEX 2.
COUNTRY PROJECTS

All information provided in this annex is as of June 30, 2025.

A. TECHNICAL ASSISTANCE GRANTS AWARDED IN FY25

MADAGASCAR:

Building a more robust CDRFI program that targets MSMEs as the country joins the landmark regional initiative REPAIR

Background:
In 2020, Madagascar launched its first CDRFI instrument, a Catastrophe Deferred Drawdown Option (CAT DDO), following six years of collaboration with the World Bank. Further technical assistance supported the government in establishing the National Contingency Fund (NFC), which was activated for the first time in February 2025 in response to the Dikeledi Cyclone and was capitalized through the government's budget. Authorities intend to use the NFC as a delivery channel in conjunction with REPAIR, a new regional platform shared by countries that pools resources and lowers technical and financial barriers to using CDRFI instruments. Madagascar is one of the first countries to join REPAIR. The government adopted a national DRF strategy in 2023 and has also committed to purchasing sovereign tropical cyclone insurance—efforts that have contributed to preparatory work and experience using CDRFI instruments which enabled Madagascar to access a CAT DDO through the World Bank.

Technical assistance funded:
The GSFF grant complements technical assistance provided by ARC Ltd. under REPAIR. It supports the design of a new delivery channel targeting emergency response for MSMEs and strengthens the operational preparedness of the NFC.

The World Bank team is helping design a new Climate Shock Response Window for an existing PPCG that has been managed since 2018 by SOLIDIS, a financial institution created in 2009 with support from AFD and funded by several World Bank projects. The Climate Shock Response Window will ensure MSMEs have access to emergency liquidity, allowing them to stay in business and repay loans after climate shocks. Among other preparatory activities, the GSFF grant will be used to refine the estimated amount needed for the window; currently, a window capitalized with US$2 million would guarantee approximately US$5 million in new credits and cover around 1,750 MSMEs. Once the window is designed, the government will capitalize it using funds made available through REPAIR.

Key highlights:

REPAIR

- **The GSFF Steering Committee awarded a US$200,000 technical assistance grant to support Madagascar's growing CDRFI program. Funds are being used to design a new Climate Shock Response Window for an existing PPCG, which will give MSMEs access to emergency liquidity. Early estimates indicate approximately 1,750 MSMEs could benefit.**

- **In addition, funds aim to improve the capacity of local authorities to manage payouts from Madagascar's new National Contingency Fund (NFC).**

- **Technical assistance funded through the grant complements that provided by ARC Ltd. in conjunction with Madagascar's participation in the World Bank's REPAIR program.**

MADAGASCAR

Capacity-building activities for local authorities aim to improve the quality of applications sent to NFC following a climate shock and strengthen management of any funds received.

The work completed under the technical assistance grant will be closely aligned with the Global Shield In-Country Process, in which Madagascar is participating. Through this country-led process, Madagascar will identify its CDRFI needs and understand options for addressing its financial protection gaps.

Expected deliverables for FY26:

- Complete an operational manual for the SOLIDIS Climate Shock Response Window.

GSFF GRANT APPROVED BY STEERING COMMITTEE:

April 25, 2025

EXPECTED COMPLETION DATE OF ACTIVITIES:

June 2027

ASSOCIATED WORLD BANK PROJECT:

Regional Emergency Preparedness and Access to Inclusive Recovery (P181014)

AMOUNT APPROVED:

US$0.2M

WORLD BANK PROJECT LENDING AMOUNT:

US$280M (IDA)

GENDER HIGHLIGHTS:

The project will collaborate with the Women Entrepreneurs Finance Initiative (WE Finance Code) that was launched in Madagascar in September 2024 and has set specific targets in the PPCG scheme for the number of participating MSMEs owned by women.

SENEGAL:

Leveraging technical assistance to implement the country's DRF strategy and advance key protection priorities

Background:

In recent years, Senegal has made considerable progress in implementing CDRFI tools and approaches. Ongoing World Bank engagement has resulted in a DRF diagnostic, published in 2024, and has led to the adoption of the country's first national DRF strategy, prepared under the leadership of the Ministry of Finance and Budget through the Sustainable Finance Commission (CoPil-FD). To operationalize the DRF strategy, the country is considering several reforms related to CDRFI and adaptive social protection as part of the proposed World Bank RESET Development Policy Financing series. Critical financial protection gaps identified in the DRF diagnostic and DRF strategy include a lack of insurance coverage for public buildings and critical infrastructure, as well as inadequate CDRFI-related public financial management, which has resulted in a proliferation of emergency response funding mechanisms and delayed disbursement of funds from a drought policy purchased through ARC Ltd.

Technical assistance funded:

The team intends to use resources under this grant to support the operationalization of the new national DRF strategy by (i) developing a detailed implementation plan for the strategy; (ii) exploring the feasibility of a public asset insurance program; (iii) reviewing public financial management as it pertains to CDRFI; and (iv) assessing the feasibility of a national disaster response fund.

The DRF Strategy Implementation Plan will be closely aligned with the Global Shield In-Country Process, which Senegal is participating in. Through this country-led process, Senegal will identify its CDRFI needs and understand options for addressing its financial protection gaps.

A feasibility assessment for a national public asset insurance program, which will be linked to existing maintenance and repair funds, will cover potential risk transfer options and premium financing sources. Analytics are likely to leverage work carried out by AFD, which has invested in collecting data on risks to public infrastructure.

Key highlights:

- **GSFF awarded a US$200,000 technical assistance grant to support Senegal in implementing its national DRF strategy. The grant also allows Senegal to explore suitable insurance coverage for its public assets and consider options for setting up a consolidated national disaster response fund and improving the timeliness of disbursements.**
- **The technical assistance activities also help lay the foundation for additional CDRFI and social protection reforms that have been proposed in the World Bank's Senegal First Reforms for Economic Stabilization, Enabled Transformation and Transparency (RESET) operation.**

SENEGAL

To assist the government in determining whether to continue using existing CDRFI instruments, how they can be improved, and which new instruments would be beneficial, the team will assess the country's portfolio of existing budgetary CDRFI tools and compare them with those used in other countries, with a focus on dedicated disaster response funding mechanisms linked to clear disbursement channels and procedures. A new disaster response fund (or strengthened existing fund) is currently being considered. Findings will also help improve the timeliness of public interventions and the disbursement of disaster-related funds.

Updates for FY25:

- Consultations on the DRF Strategy Implementation Plan are underway with the Ministry of Finance.
- There is an ongoing dialogue with AFD regarding collaboration on public asset insurance.
- The team has started analyzing international experiences with disaster response funds.

Expected deliverables for FY26:

- Develop the DRF Strategy Implementation Plan.
- Conduct public asset insurance feasibility analysis.
- Analyze relevant international examples and develop options for establishing a dedicated disaster response fund.

GSFF GRANT APPROVED:
May 5, 2025

EXPECTED COMPLETION DATE OF ACTIVITIES:
April 30, 2026

ASSOCIATED WORLD BANK PROJECT:
Financial and Private Sector Development Programmatic ASA (P181249)

RESET DPF series (P506839)

AMOUNT APPROVED:
US$0.2M

WORLD BANK PROJECT LENDING AMOUNT:
US$300M (IDA)

GENDER HIGHLIGHTS:
The DRF Strategy Implementation Plan will consider the gendered impacts of climate risks and natural disasters. Monitoring and reporting for the strategy's implementation will aim to disaggregate results by gender. Plans to strengthen the financial strategy of the National Solidarity Fund, a World Bank social protection initiative, will account for gender.

ANNEX 2.
COUNTRY PROJECTS

B. GRANTS AWARDED IN FY25

COSTA RICA:

Delivering on DRF strategic priorities, including more resilient public assets and a scalable social protection system

Background:
Costa Rica's social protection system—Sistema Nacional de Información y Registro Único de Beneficiarios del Estado (SINIRUBE)—covers the country's entire population, including migrants, and its cash transfer program for nationals is linked to bank accounts to facilitate accurate and timely payments. Nonetheless, unplanned growth—especially in urban areas and in regions with poorer populations and weak infrastructure—is increasing the country's vulnerability to climate shocks. The combined impacts of Tropical Storm Eta in 2020 and severe rainfall on the Caribbean coast in 2021 affected nearly 70 percent of the country's territory.

GSFF's grant would be embedded in and complement an ongoing World Bank project, which aims to make Costa Rica's infrastructure and critical public services more resilient to climate and natural hazard impacts. The GSFF grant would form part of proposed additional financing to enhance the targeting and efficiency of Costa Rica's social protection spending in the face of shocks. The additional financing complements a CAT DDO that provides liquidity should Costa Rica face climate, social, or economic shocks and need to fund additional social assistance.

Proposed financial solution:
Develop a financial package that protects public assets by combining budgetary or contingent financing instruments and insurance so that Costa Rica can increase the coverage or amount of the emergency cash transfers provided through its social protection system. A sovereign/macro insurance product could provide additional funds for the social protection system in the event of a severe shock that exceeds the capacity of the other financial instruments.

Key highlights:

ASP

- The GSFF Steering Committee has endorsed a US$8 million grant proposal to support Costa Rica in establishing a suite of financial instruments that provide the necessary funds to rebuild public infrastructure damaged by disasters and increase the country's financial capacity.
- The grant would also fund improvements to the social protection system itself so that disaster response is faster, more transparent, and more closely linked to existing disaster risk management mechanisms such as the National Disaster Fund.
- The grant would be embedded in a larger ongoing World Bank project to make Costa Rica's infrastructure and critical public services more resilient to climate and natural hazard impacts. The grant award is contingent upon approval of additional financing for the project, which is currently expected in FY26.

COSTA RICA

Updates for FY25:

The Global Shield In-Country Process, which includes close coordination between all stakeholders and financing vehicles, revealed the need to reassess the proposal in light of government priorities and envisioned activities funded by other financing vehicles.

The team conducted a mission in June 2025 to discuss the design of the grant proposal and learn more about the government's interest in having specific activities included. Following the mission, the team agreed to develop a scoping note that outlines suggested activities to be discussed with the government focal point for the GSFF.

Expected deliverables for FY26:

- Complete scoping note (September–October 2025).
- Conduct mission to discuss scoping note and refine activities following government input (October 2025).
- Complete concept note for additional financing (January–March 2026).

GSFF GRANT ENDORSED BY STEERING COMMITTEE:
December 12, 2024 (FY25)

EXPECTED COMPLETION DATE OF ACTIVITIES:
April 30, 2026

EXPECTED CLOSING DATE:
April 30, 2029 (P178049)
December 30, 2027 (P181372)

RELATED WORLD BANK PROJECTS APPROVED BY BOARD OF DIRECTORS:

Approved March 8, 2024
(P178049)

Approved Nov 25, 2024
(P181372)

Additional Financing for P181372:
In progress

AMOUNT ENDORSED: US$8 M

Of which:	
Technical assistance:	US$1 M
Start-up costs and operating costs for risk financing vehicles:	US$1 M
Capitalization of risk financing vehicles (includes contingent finance)	US$1 M (TBC)
Costs of financial instruments (including premiums):	US$3.5 M
Systems building:	US$1.5 M

MATCHING FUNDS FOR CAPITALIZATION OF FINANCIAL INSTRUMENT(S):
NONE

WORLD BANK PROJECT:
Costa Rica Climate Resilient Recovery and Territorial Development Project (P178049)

Costa Rica Social Risk Management DPL DDO (P181372)

GENDER HIGHLIGHTS:
Gender gaps to be addressed in the activities and instruments supported by this grant will be explicitly defined and quantified following the good practice outlined in GSFF's DRFI Gender Guidance Note.

WORLD BANK PROJECT LENDING AMOUNT:
P178049: US$350M (IBRD)
P181372: US$200M (IBRD)

THE GAMBIA:
Accelerating linkages between CDRFI and a nascent social protection system

Background:

The Gambia has expanded its use of CDRFI since it joined the African Risk Capacity in 2015. The country recently completed a DRF diagnostic and, with World Bank financing, set up a social safety net program known as Nafa. Nafa launched in 2021 and currently covers the 20 poorest rural districts. It was scaled up during the COVID-19 pandemic to provide cash transfers to the 30 poorest districts and will expand nationwide as part of The Gambia Resilience, Inclusion, Skills, and Equity Project (RISE), an ongoing US$92.7 million World Bank operation. A US$20 million CAT DDO—a line of credit that the government can quickly access when there is a climate shock—is another World Bank operation that supports reforms aimed at boosting productivity in key economic sectors. The Gambia is most at risk of droughts, floods, and windstorms. With more than 60 percent of the country's population relying on agriculture for their livelihoods and more than 50 percent of the population living below the national poverty line, food insecurity is of increasing concern.

Proposed financial solution:

Increase the adaptability and financial capacity of The Gambia's social protection system using two CDRFI instruments and ensure that the country's adaptive social protection systems are integrated into a new, comprehensive DRF strategy.

The GSFF grant would fund an analysis to determine which of two national funds would be better suited for adding a sub-window that provides emergency cash transfers to households when there is a climate shock. Financing is not available from either ARC or the CAT DDO to address more frequent, less costly events, so funding from the sub-window would help close a critical financing gap.

Key highlights:

ASP

- The GSFF Steering Committee has endorsed a US$10 million GSFF grant to develop two CDRFI instruments in The Gambia that will strengthen the financial resilience of its social protection system. In addition, the grant will fund the country's first national DRF strategy.
- The government plans to create a sub-window within a national contingency fund that would be used to fund emergency cash transfers in response to climate shocks; this arrangement would reduce the severe funding shortage for more frequent, less costly events.
- Early estimates indicate that approximately 775,000 poor and climate-vulnerable individuals could benefit from these emergency cash transfers.
- To better protect individuals against catastrophic climate events, the government also plans to develop a sovereign/macro insurance product that would disburse payouts via the social protection system in the event of an extreme flood or windstorm.
- The grant would be embedded in an ongoing World Bank project that supports reforms aimed at boosting productivity in key economic sectors. Award of the grant is contingent upon approval of the additional financing for the project.

THE GAMBIA

Based on the findings of the recently completed DRF diagnostic, the government could also explore the feasibility of a sovereign/macro insurance instrument that provides coverage against extreme flooding and/or windstorms. If the scoping work indicates a suitable solution, GSFF resources would be used to finance start-up and premium costs during the remainder of the ongoing World Bank RISE operation.

The government has discussed a new national DRF strategy, which currently includes the following parameters: defining government contingent liabilities in the event of identified priority hazards; defining the CDRFI instruments to cover these contingent liabilities in a risk-layered approach; linking CDRFI instruments explicitly to selected delivery mechanisms, including adaptive social protection; defining the government's strategy for crowding in private sector expertise and resources and for creating a suitable environment for the placement of risk transfer solutions (such as micro- and meso-level insurance); and supporting government plans to mobilize and coordinate external humanitarian support.

Updates for FY25:

Several activities were started during the fiscal year:

- Mission to The Gambia (May 2025), including a roundtable discussion of ASP and CDRFI and confirmation of planned activities
- Data gathering for flood modeling
- Flood modeling feasibility study, led by Center for Disaster Protection
- Public financial management study on national emergency fund and social protection fund to explore possibility of hosting a sub-window for ASP
- Study of proposed activities' gender sensitivity

Expected deliverables for FY26:

- Complete the technical report on feasibility of flood insurance.
- Complete the technical report on gender sensitivity of proposed activities.
- If needed, complete a technical report quantifying risk that can inform the DRF strategy.
- Conduct three in-country workshops to support the DRF strategy process.
- Process additional financing.

GSFF GRANT ENDORSED BY STEERING COMMITTEE:

December 12, 2024 (FY25)

EXPECTED CLOSING DATE:

April 30, 2029 (FY29)

RELATED WORLD BANK PROJECT APPROVED BY BOARD OF DIRECTORS:

Approved February 23, 2024 (FY24)

Additional Financing: Expected approval date February 12, 2026 (FY26)

THE GAMBIA

AMOUNT ENDORSED: US$10 M

Of which:

Technical assistance:	US$1.9 M
Start-up costs operating costs for risk financing vehicles *(incl. US$0.9M for sovereign risk transfer)*	US$1.9 M
Capitalization:	US$5 M
Costs of financial instruments (including premiums):	US$1.2 M

GENDER HIGHLIGHTS:

The project would (i) ensure activities proposed during the scoping phase are gender-sensitive; (ii) ensure the DRF strategy identifies gender-specific needs and exposure to hazards; and (iii) conduct additional assessments as needed. For example, with the increased use of digital emergency payments, the project would assess whether women are equally able to receive mobile phone payments.

MATCHING FUNDS FOR CAPITALIZATION OF FINANCIAL INSTRUMENT(S):

US$1.2M

WORLD BANK PROJECT:

Parent project:

The Gambia Resilience, Inclusion, Skills, and Equity Project (RISE)

(P179233)

Additional financing: In progress

WORLD BANK PROJECT LENDING AMOUNT:

Parent project: US$81.65M (IDA)

Additional financing: TBD

MALAWI:

Continuing scale-up of the country's flagship emergency cash transfer program through a second GSFF grant

Background:
A 2019 GSFF grant has been instrumental in scaling up Malawi's flagship Social Cash Transfer Programme (SCTP) and Climate Smart Public Works Programme (PWP), enabling them to provide nearly US$23 million in emergency payments to 1.36 million people impacted by drought to date. The GSFF grant supports two CDRFI instruments: a US$11.5 million contingency fund and a US$9.7 million macro/sovereign risk transfer instrument. Together these protected approximately 1.2 million people during FY25. However, all of Malawi's 28 districts remain at high risk of droughts, floods, and other perils, and the agricultural sector, which accounts for one-third of the country's GDP, remains vulnerable to climate variability since it relies heavily on rain-fed, single-season, maize-based production.

In addition to expanding the coverage provided by the SCTP and PWP, the government seeks to streamline its use of CDRFI by consolidating the drought policy it purchased with support from the GSFF with the policy it has through the African Development Bank and ARC Ltd. Malawi has joined the World Bank's REPAIR program, which is supported by GSFF and offers participating countries three layers of financial protection against climate events that range in frequency and severity: a reserve instrument, contingent financing, and parametric insurance products.

Proposed financial solution:
Continue scaling up the SCTP and PWP by developing a new risk transfer instrument that covers additional perils and complements Malawi's existing contingency funds. Continue streamlining the use of CDRFI within the country and integrate CDRFI initiatives with regional programs such as REPAIR.

The majority of this GSFF grant, US$8 million, would cofinance premiums for the risk transfer instrument, while the design of the instrument would be funded by the

Key highlights:

REPAIR ASP

- **The GSFF Steering Committee has endorsed a US$10 million grant for Malawi to continue making shock-responsive financing more available for distribution through social protection channels. Greater financial capacity, coverage of additional perils, and improvements to e-payment systems will ensure that more affected households receive emergency payments in a timely manner.**

- **Improvements to the social protection systems would complement World Bank–financed operations that aim to increase Malawi's use of CDRFI instruments. This includes the Regional Emergency Preparedness and Access to Inclusive Recovery (REPAIR) program, a new US$306 million regional climate fund through which participating countries can secure a wider range of financial solutions for post-shock response. REPAIR is a platform shared by countries in Southern Africa that pools resources and lowers technical and financial barriers to using CDRFI instruments.**

- **The grant award is contingent upon approval of the additional financing for the original project. The World Bank Board meeting date has yet to be set.**

MALAWI

REPAIR project. Working closely with the REPAIR project should enable the government to streamline its insurance policies without reducing overall coverage and to mitigate the increasing cost of (re) insurance.

The remaining portion of the grant would be used to upgrade e-payment systems and the national social registry to ensure delivery of timely cash transfers or benefits to households affected by multiple perils. REPAIR is also expected to provide products with wider geographical and peril coverage whose payments could be channeled through these improved systems.

Expected deliverables for FY26:

- Prepare activities in advance of project approval.

GSFF GRANT ENDORSED BY STEERING COMMITTEE:

December 12, 2024

EXPECTED CLOSING DATE:

SSRLP, P169198: December 31, 2027 (FY28)

INSPIRE-O (P512324): FY30

REPAIR, P181014: June 30, 2031 (FY31)

RELATED WORLD BANK PROJECT APPROVED BY BOARD OF DIRECTORS:

Approved December 10, 2019 (FY20) SSRLP

Pipeline (FY27) INSPIRE -O

Approved July 30, 2024 (FY25) REPAIR

AMOUNT ENDORSED:

US$10 M

MATCHING FUNDS FOR CAPITALIZATION OF FINANCIAL INSTRUMENT(S):

NONE

GENDER HIGHLIGHTS:

By design, at least 65 percent of SCTP's recipients are women. This is an empowering feature of the program design and likely to contribute to reducing gaps in poverty and resilience. Limiting pay points to a five-kilometer radius and including principles of inclusivity, safety, and accountability in the cash transfer programs, e-payments, and social registry give women further control in using their own cash. The project also plans to assess whether there have been any activities or decisions in the project that inadvertently contributed to women's financial exclusion.

WORLD BANK PROJECT:

The grant will be mapped to the Social Support for Resilient Livelihoods Project (SSRLP, P169198) and its successor project expected to be effective by October 2026.

It will also be closely aligned and co-finance risk finance instruments arranged under the Regional Emergency Preparedness & Access to Inclusive Recovery Project (REPAIR, P181014).

WORLD BANK PROJECT LENDING AMOUNT:

SSRLP (P169198): US$312.5M (IDA)

INSPIRE -O (P512324): US$150M (IDA)

REPAIR (P181014): US$280M (IDA)

THE PHILIPPINES:

Reforming agricultural insurance to offer up to 10 million farmers better products and coverage

Background:

Agriculture is expected to be one of the sectors most affected by extreme weather in the Philippines. Currently, one-third of the country's 10 million farmers are insured; however, their coverage does not sufficiently protect them from the scale of the climate and disaster risks they face. In addition to inadequate coverage amounts, farmers are currently limited to indemnity insurance products, which require losses to be calculated before payouts can be made. Some farmers therefore resort to informal lenders who charge upward of 20 percent interest per month when there is a disaster.

Over the past 10 years, the Philippines has developed innovative CDRFI instruments and policies and has improved existing solutions. These efforts have cut across multiple relevant government agencies and advanced the use of disaster risk–based budgeting reforms, CDRFI linked to social protection, sovereign/macro insurance products, contingent and emergency financing, public asset insurance, and agriculture insurance provided through the Philippine Crop Insurance Corporation (PCIC). PCIC currently offers farmers approximately US$90 million annually in premium subsidies for agricultural insurance. However, the subsidies need to be better targeted, and PCIC's operations need digitalization and improved risk and claim management. A proposed US$300 million World Bank project aims to increase access to finance and insurance in the Philippines and will receive cofinancing from the GSFF. The grant would also complement another new GSFF grant that increases the Philippine's use of anticipatory cash transfers. Together these programs would target the right beneficiaries for cash transfers and insurance schemes based on risk exposure, thereby increasing the overall financial resilience of vulnerable households and providing additional support to farmers when needed.

Proposed financial solution:

Create a coinsurance pool that unlocks private capital and technical resources so that small farmers have more and better insurance options. Enhance the value for farmers of the premium financing they receive from the government.

Key highlights:

ASP

- **The GSFF Steering Committee has endorsed a US$8 million GSFF grant to support the Philippines in improving the agricultural insurance products it provides so that they offer better coverage, pay out faster, and are tailored to the needs of different kinds of farmers. A new coinsurance pool would leverage private sector resources.**

- **The government currently offers farmers more than US$90 million a year in premium subsidies. With better insurance options for farmers and operational reforms to the government entity managing agricultural insurance, the subsidies' value for money is expected to increase.**

- **This grant complements another GSFF grant focused on expanding an anticipatory cash transfer pilot program in the Philippines. Together, these programs would target the right beneficiaries for cash transfers and insurance schemes based on risk exposure.**

- **The grant would be embedded in a larger proposed World Bank project supporting MSMEs, and grant award is contingent upon the project's approval by the World Bank Board of Directors, which is currently expected in Q3 FY26.**

THE PHILIPPINES

The GSFF grant would improve the insurance products PCIC offers while also enhancing how PCIC itself operates, with the ultimate objective of creating a public-private insurance pool comprising PCIC and local insurers.

The GSFF grant is already supporting the government in developing a premium subsidy and segmentation strategy to ensure that its subsidies go where they are most needed and that farmers eventually have the means to pay their own insurance premiums. GSFF grant funds are expected to be used to complete the risk modeling, data infrastructure, and design of two risk financing products: a credit-linked area yield index insurance for semicommercial farmers, and a macro social index insurance for the country's most vulnerable farmers. Improvements to the country's payment systems and technical assistance to set up the coinsurance pool would also be funded.

Updates for FY25:

The market segmentation study is ongoing; its findings will inform the design and development of new agricultural insurance products that will be provided by PCIC and the agriculture coinsurance pool. Technical assistance is laying the groundwork for the pool.

Expected deliverables for FY26:

- Finalize the market segmentation study.
- Continue providing technical assistance for setting up and operationalizing the agriculture coinsurance pool.

GSFF GRANT ENDORSED BY STEERING COMMITTEE:
December 12, 2024 (FY25)
EXPECTED CLOSING DATE: TBD

RELATED WORLD BANK PROJECT APPROVED BY BOARD OF DIRECTORS:
Expected Q3 FY26

AMOUNT ENDORSED: US$8 M

Of which:	
Technical assistance:	US$0.5 M
Costs of financial instruments, e.g., insurance premiums	US$4 M
Costs for implementation of financial solutions linked to national delivery mechanisms	US$3.5 M

MATCHING FUNDS:
NONE

WORLD BANK PROJECT:
MSME Access to Finance for Productivity and Resilience to Climate Shock (P507493)

GENDER HIGHLIGHTS:
The Sustainable Recovery DPL (P180336) revealed that there is not enough data on gender gaps in the use of agricultural insurance. A gender study will address these gaps and inform activities related to this project.

WORLD BANK PROJECT LENDING AMOUNT:
US$350 (IDA)

ANALYTICS, PRODUCTS, AND REFORMS SUPPORTED IN CONJUNCTION WITH THIS PROJECT: Market segmentation study

DISASTER RISK FINANCE INSTRUMENT(S) SUPPORTED:
Establishment and operationalization of an agriculture co-insurance pool that brings together private insurers and PCIC.

THE PHILIPPINES:
Helping the poorest households better prepare for the impact of droughts or floods through anticipatory cash transfers

Background:
The Philippines has launched a pilot of an innovative ACT program in collaboration with the United Nations Food and Agriculture Organization (FAO); this is one of several CDRFI instruments and policies the country has developed over the past 10 years. The program is a crucial social protection measure in a country where nearly 32 percent of agricultural households live in poverty and where disaster-related economic losses average about US$3.5 billion annually. Studies have shown that timely cash transfers can reduce the need for distressed asset sales by 50 percent and reduce long-term poverty rates by 10 to 20 percent. The ACT program pilot, however, covers just under 1,000 households, and its expansion is constrained by limited institutional capacity at the local level.

The World Bank Beneficiary FIRST Social Protection Project and its anticipated successor project, SPEED, aim to strengthen ASP systems at the national and local level, including through improvements to the ACT program pilot. SPEED will provide counterpart cofinancing to support the GSFF grant by (i) financing regular cash transfers through an existing social safety net, (ii) financing emergency cash transfers, including by piloting ACT, and (iii) financing system strengthening. GSFF's grant further complements another new GSFF grant that improves options and coverage for agricultural insurance in the Philippines.

Social protection programs offer immediate income support to the poorest households, helping them cope with daily expenses and economic shocks. They make it less likely that households will resort to negative coping strategies such as cutting back spending on food. Agricultural insurance covers long-term risks like crop failures, droughts, or floods, and it compensates farmers based on yield or weather index triggers, allowing them to recover quickly after losing crops. Based on their risk exposure, some households may benefit from both programs.

Key highlights:

- The GSFF Steering Committee has endorsed a US$8 million GSFF grant to enable the Philippines to increase the number of households participating in a pilot of its anticipatory cash transfer (ACT) program from 1,000 to 17,000.
- Improvements to the national social registry and digital infrastructure would make it easier for an estimated 5 million people to receive government assistance when there is a disaster.
- This grant complements another GSFF grant focused on expanding agricultural insurance in the Philippines. Together, these programs would target the right beneficiaries for cash transfers and insurance schemes based on risk exposure.
- The GSFF grant activities will be integrated across the corresponding components under the Beneficiary FIRST Social Protection Project and its follow-up operation, Social Protection for Economic Inclusion, Empowerment, and Digital Innovation (SPEED) Project. Grant award is contingent upon SPEED's approval by the World Bank Board of Directors, currently scheduled for Q3 FY26.

THE PHILIPPINES

Proposed financial solution:

Expand targeting, coverage, and functionality of the ACT program to cover more households in areas with high risk of droughts and floods.

The GSFF grant would fund refinements to the risk models, triggers, and operational framework for the ACT program. It would also fund a subsequent impact evaluation to determine whether preemptive or ex post cash transfers are better able to help households mitigate their risks and recover from disasters.

As currently envisioned, the US$3 million grant would finance the ACT program for 17,000 households in the 10 provinces most vulnerable to droughts and floods. Early calculations indicate that program participants can expect to receive a maximum of three payments equivalent to 75 percent of the prevailing regional daily wage rate (approximately US$175). These payments will be implemented under the new SPEED project with coverage expected for 2026–2030.

Funds would also be used to reform the government's social registry and improve digital infrastructure. Periodic data collection and updates will ensure the registry reflects real- time changes in households' circumstances and contributes to a more effective government response to climate or other shocks. Additionally, the grant would enhance the capacity of local government institutions to respond to high-risk scenarios and support the objectives of the national financial protection strategy.

Updates for FY25:

The Disaster Response Command Center (DRCC) under the Department of Social Welfare and Development (DSWD) will lead implementation of the GSFF grant activities and will ensure close coordination with the national safety net program, Pantawid Pamilyang Pilipino Program (4Ps). Discussions regarding next steps for the national rollout of the dynamic social registry (DSR) and the preparatory activities needed to link it to the ACT pilot are ongoing.

Expected deliverables for FY26:

- Complete an institutional assessment report of the DRCC's organizational arrangements and systems capacity for implementing the ACT component activities.
- Complete a data scoping exercise to assess current data sources and how they are used by DRCC for disaster response and preparedness. The findings and recommendations will serve as the basis for the larger feasibility study on anticipatory triggers that the GSFF grant is financing.

GSFF GRANT ENDORSED BY STEERING COMMITTEE:

December 12, 2024 (FY25)

EXPECTED CLOSING DATE:

P174066: June 30, 2026 (FY26)

P509079: TBD

RELATED WORLD BANK PROJECT APPROVED BY BOARD OF DIRECTORS:

Approved September 28, 2020 (FY21) Beneficiary FIRST Social Protection Project

Approval expected Q3 FY26

SPEED

THE PHILIPPINES

AMOUNT ENDORSED: US$8M

Of which:

Technical assistance:	US$1.6 M
Start-up costs and operating costs for risk financing vehicles:	US$1.4 M
Capitalization of risk financing vehicles (includes contingent finance):	US$3 M
Systems building:	US$2 M

GENDER HIGHLIGHTS:

The project will ensure that the DSR data collected will capture relevant information for gender indicators and delve deeper into gender-specific impacts of disasters, such as the higher likelihood of income loss for women and their limited access to recovery resources. The data and analysis will facilitate a gender policy dialogue with key stakeholders, including government gender focal points, local women's organizations, and civil society groups.

MATCHING FUNDS:

US$3 M for capitalization (IBRD)

WORLD BANK PROJECT:

Beneficiary FIRST Social Protection Project (P174066)

Follow-up operation: Social Protection for Early Intervention, Enhanced Social Services, and Digital Innovation (SPEED) project (P509079)

WORLD BANK PROJECT LENDING AMOUNT:

P174066: US$600 M (IBRD)

SOMALIA:

Supporting complementary programs to close protection gaps for the most vulnerable populations and the pastoral economy

Background:

Fragility and political insecurity have made it even more difficult for Somalia to cope with natural disasters. Disasters overall currently cost the government an estimated US$120 million per year, and costs could increase to nearly US$1 billion if more extreme events occur. The high level of climate risk is particularly problematic for Somalia's agricultural sector, which is responsible for more than 50 percent of GDP, 80 percent of export earnings, and an estimated 65 percent of the country's labor force.

The government has recently begun using CDRFI instruments to manage a portion of these risks, but without additional fiscal resources cannot attain a sufficient level of protection. Through its participation in the regional World Bank DRIVE project, Somalia provides participating pastoralists with US$52 million in micro-level coverage to protect their livestock from drought. A sovereign/macro insurance product provides an additional US$18 million in coverage for drought. In 2019, Somalia launched its first social safety net program, Baxnaano, to support the poorest households, but it has not yet put in place the CDRFI instruments that would enable the safety net to be used in response to climate shocks. With ongoing World Bank support for the DRIVE project and additional financing anticipated for the operation that supports Baxnaano, the government has an opportunity to increase its use of CDRFI and integrate it with its social protection efforts.

Proposed financial solution:

Expand the financial protection pastoralists receive through DRIVE and enable the national safety net to scale up when there are climate shocks. This would provide targeted support to vulnerable populations working in a key economic sector while boosting the country's overall financial resilience.

Key highlights:

DRIVE ASP

- The GSFF Steering Committee has endorsed a US$12 million GSFF grant to enable Somalia to scale up its social safety net program in response to climate shocks and to expand pastoralists' access to insurance and credit.
- The grant would cofinance two World Bank operations: the ongoing De-Risking, Inclusion, and Value Enhancement of Pastoral Economies in the Horn of Africa (DRIVE) project, which increases access to finance and markets for pastoralists, and the Building Opportunities and Outcomes in Social Protection and Youth Employment in Somalia (BOOST-YOU) project, which aims to enhance economic opportunities and strengthen ASP systems in Somalia.
- Award of the grant is contingent upon approval of the BOOST-YOU project by the World Bank Board of Directors, which is currently expected by September 30, 2025.

SOMALIA

Building on the ongoing DRIVE project, funds from the GSFF grant would be used to expand insurance coverage for pastoralists to include excess rainfall and to pay for their premium subsidies. A new contingent credit instrument would target milk cooperatives, thus closing a crucial protection gap for women. While male pastoralists tend to manage and migrate with large stock—and will be protected from the loss of livestock through the drought and excess rainfall insurance products—the production and sale of milk is predominantly managed by female pastoralists, whose livelihoods depend on managing the disruption to milk production. A 2023 assessment found a 50 percent drop in cattle milk production between rainy and dry seasons in Ethiopia and Somalia. The project aims to address this issue and other specific needs of women pastoralists.

In line with the objectives of the BOOST-YOU project, funds from the GSFF grant would also be used to design a financial instrument put in place ahead of disasters, which can be triggered for emergency cash transfers delivered through Baxnaano.

It is important to underscore that the two programs complement each other. The DRIVE project targets the productivity of pastoralists and aims to increase access to finance and markets, while Somalia's social protection program targets the poorest of the poor and provides a safety net.

Expected deliverables for FY26:

- Design excess rainfall insurance product and contingent credit product for milk producers.

GSFF GRANT ENDORSED BY STEERING COMMITTEE:
December 12, 2024

EXPECTED CLOSING DATE:
DRIVE (P176517): September 30, 2027
BOOST-YOU (P507443): December 31, 2029

AMOUNT ENDORSED: US$12 M
Of which:

Technical assistance:	US$3 M
Capitalization:	US$2 M
Costs of financial instruments (including premiums):	US$7 M

GENDER HIGHLIGHTS:
DRIVE used strong gender-focused project design, including results indicators that are gender disaggregated. Surveys, focus group discussions, financial education and outreach activities are tailored to women, as a result female-led households account for 57% of the total project beneficiaries.

RELATED WORLD BANK PROJECT APPROVED BY BOARD OF DIRECTORS:
June 21, 2022 (FY22) DRIVE
September 25, 2025 (FY26)
BOOST-YOU

MATCHING FUNDS FOR PREMIUM SUBSIDIES:
US$7 M (IDA)

WORLD BANK PROJECT:
De-Risking, Inclusion, and Value Enhancement of Pastoral Economies in the Horn of Africa (DRIVE – P176517)

Building Opportunities and Outcomes in Social Protection and Youth Employment in Somalia (BOOST-YOU) (P507443)

WORLD BANK PROJECT LENDING AMOUNT:
DRIVE: US$327.5 M (IDA)
BOOST-YOU: US$100M (IDA)

ANNEX 2.
COUNTRY PROJECTS

3. GRANTS UNDER IMPLEMENTATION IN FY25

BANGLADESH:

Leveraging the World Food Programme's on-the-ground experience to support flood-prone communities along the Jamuna River

Background:
Bangladesh has developed numerous microinsurance programs, but it has limited experience with non-life macro/sovereign products, where the government is the policyholder. In 2022, the country experienced the worst floods in more than a century, and rainfall overall is becoming increasingly unpredictable, causing rivers to surge to dangerous levels more often than in the past.

Financial solution:
Improve the government's financial preparedness at the national level to respond to the needs of flood-prone communities by developing two CDRFI instruments that address flood risks of varying severity and frequency: a macro/sovereign risk transfer instrument and a community protection (contingency) fund.

GSFF funds both instruments' start-up and operational costs as well as premium for the flood risk transfer (parametric flood risk insurance) product. The proposed macro/sovereign risk transfer instrument, linked to a US$1.4 million contingency fund, to be capitalized by the government budget, will offer three years of coverage and are currently estimated to provide relief for up to 100,000 households. The community protection fund complements the flood insurance, helping to address basis risk and provide support for smaller-scale events that fall outside the insurance coverage.

The post-disaster payouts are expected to be equivalent to one month of livelihood support and will complement other pre-disaster support mechanisms that are part of the government's anticipatory action protocol. As the program's delivery partner, WFP will oversee last-mile delivery to ensure payouts from both financial instruments are efficiently and accurately transferred to eligible beneficiaries. To strengthen efficiency, transparency, and accountability, payments will be made through digital financial service providers.

Key highlights:

Global Risk Financing Facility

- **A US$9 million GSFF grant is cofinancing a US$102 million World Bank project to strengthen Bangladesh's flood management capacity. The World Bank project invests in risk reduction and risk financing measures, and the GSFF grant will finance the development of the country's first macro/sovereign index-based risk transfer product linked to a contingency fund. Both instruments are expected to become active by June 2026.**

- **The WFP is the operational delivery partner and will ensure that payouts from CDRFI instruments reach their intended beneficiaries. The government selected WFP based on its experience providing cash transfers to beneficiaries in flood prone communities—particularly for anticipatory action—and piloting a climate risk insurance scheme for post-flood response.**

3. Grants Under Implementation in FY25

BANGLADESH

Progress made during previous fiscal years: A preliminary analysis of flood risk in the region and a feasibility study were completed in FY22. In FY23, organizations such as Start Network, Oxfam, and the World Food Programme provided guidance for the structure of procurement packages. The project team also assessed existing flood risk analytics and models being used by different local partners and explored use of a digital payment system such as a mobile wallet for delivering payouts to individuals.

After the World Bank Board of Directors approved the project in September 2023, the Bangladeshi government established the Project Implementation Unit and appointed an official project director. In FY24, the civil society organization NIRAPAD (Network for Information, Response, and Preparedness Activities on Disaster) was commissioned to identify organizations with existing flood-protection programs in the relevant project areas that could potentially be scaled up. NIRAPAD also determined the protection gap that exists for people living in project sites, outlined existing meso-level schemes, and explored ways for program design to consider target beneficiaries' gender.

Updates for FY25:

Instrument design: The NIRAPAD research report, a legal review of Bangladesh's regulatory framework, and the work of the risk structuring firm Weather Risk Management Services (WRMS) have all contributed to significant progress in design of the trigger mechanism. WRMS will design several trigger options for government decision and subsequent negotiation with the domestic insurance market. Analysis and modeling for the trigger mechanism will likely be completed by Q3 2025.

Implementation partner selected: Based on NIRAPAD's findings, WFP was selected as the operational delivery partner. WFP has extensive experience providing support to flood-prone communities through the anticipatory action model and disaster risk financing mechanisms. As part of its work, WFP has leveraged its anticipatory action database of households in the Jamuna region that are vulnerable to flood and river erosion. This will be crucial to implementing the project.

Expected deliverables for FY26:

- Place the flood insurance product before the start of the monsoon season.
- Establish the community protection fund and ensure that it is ready to disburse payments during eligible flood events in the 2026 monsoon season.
- Complete operational readiness, including conduct of a dry run exercise.

BANGLADESH

GSFF GRANT ENDORSED BY STEERING COMMITTEE:

May 10, 2022 (FY22)

EXPECTED CLOSING DATE:

December 31, 2028 (FY29)

RELATED WORLD BANK PROJECT APPROVED BY BOARD OF DIRECTORS:

approved September 19, 2023 (FY24)

AMOUNT ENDORSED: US$9 M

Of which:

Technical assistance:	US$3 M
Start-up costs and operating costs for risk financing vehicles:	US$1.5 M
Costs of financial instruments (including premiums):	US$3 M
Systems building:	US$1.5 M

MATCHING FUNDS:

Costs of financial instrument(s):[a] US$3 M

WORLD BANK PROJECT:

Jamuna River Sustainable Management Project 1 (P172499)

GENDER HIGHLIGHTS:

NIRAPAD research is exploring gender dimensions within existing flood protection programs to help inform project implementation, specifically the delivery channel used to make relief payments. Gender dimensions are also being considered in assessing the protection gap and making recommendations for how to best target emergency assistance. It has been agreed that women-led households will make up at least 50 percent of the target beneficiaries, in alignment with WFP's registered beneficiary list.

WORLD BANK PROJECT LENDING AMOUNT:

US$102M (IDA)

ANALYTICS, PRODUCTS, AND REFORMS SUPPORTED IN CONJUNCTION WITH THIS PROJECT:

Risk analytics:

- DRF diagnostic (internal draft completed 2023; superseded by an International Monetary Fund diagnostic)
- Landscape review of existing flood risk data and models for Jamuna River CDRFI applications (Completed Dec 2024) Policy/legislation/reforms:
- Legal review to ensure proposed solutions fit under regulatory framework (Completed, Dec 2024)
- Analysis on trigger mechanism design options for both financial instruments (Q3, 2025)

DISASTER RISK FINANCE INSTRUMENT(S) SUPPORTED:

1. Macro/sovereign-level parametric insurance product (under design, 2026)
2. Contingency fund (under design, 2026)

a. Amount to be split between insurance premium support and operational cost of designing and implementing the two solutions.

BURKINA FASO:

Increasing the coverage amount provided by a partial portfolio credit guarantee during crises

Background:

Burkina Faso's economy is dominated by MSMEs, including more than 1.5 million informal enterprises and 65,000 formal ones. MSMEs increase the number of people who can participate in and contribute to the economy, but their limited access to financial resources makes it harder for them to grow and to withstand economic shocks. To facilitate access to finance, in 2020 the World Bank and Burkina Faso launched the US$100 million Financial Sector Inclusion Project (FSIP). As of June 2024, FSIP included a US$45 million PPCG that backs as much as US$188 million in loans—extended by 11 private banks and microfinance institutions under three windows—to more than 10,000 MSMEs, women entrepreneurs, and smallholder farmers. If borrowers from these windows default on their loans, the guarantee covers part of the losses incurred by the lending institutions.

Financial solution (revised in FY24):

Transform the stand-alone crisis window to a shock-responsive mechanism that will backstop the three existing standard windows for MSMEs, women, and smallholder farmers. The shock-responsive mechanism will trigger when there is an eligible crisis, increasing the coverage of the standard windows from 50 percent to 70 percent and incentivizing financial institutions to lend despite the crisis.

The restructuring became necessary due to low demand for the crisis response window, which covered 50 borrowers and used 3 percent of the available capital. Factors influencing low uptake included complicated banking sector procedures for restructuring loans, the narrow definition of crises eligible under the crisis response window, and the waning impact of the COVID-19 pandemic at the time the window became operational.

The original crisis response window was capitalized with a US$10 million grant from GSFF and US$10 million in matching IDA funds available through the FSIP. As part of the project restructuring, half of these funds will now be allocated to the windows for women and MSMEs, with the remainder capitalizing the shock-responsive mechanism.

Key highlights:

Global Risk Financing Facility

- **A US$12 million GSFF grant initially supported an additional window for crisis response within a PPCG that had three other windows—to respectively support MSMEs, women, and smallholder farmers.**
- **The crisis response window was activated between November 2021 and February 2023 in response to the COVID-19 pandemic, covering more than US$3.5 million in restructured and working capital loans for 50 MSMEs.**
- **In January 2024, the crisis response window was redesigned to be a shock-responsive mechanism that will backstop the existing three windows. If any borrowers participating in these windows default on loans during a crisis, lending institutions will now be reimbursed for 70 percent of the default amount instead of the usual 50 percent, and the coverage period will be extended to 15 months.**
- **The outstanding loan portfolio covered by the crisis response window was US$2,523,183 at the end of FY25.**

BURKINA FASO

Progress made during previous fiscal years: The original crisis response window became effective in November 2021 in response to the COVID-19 pandemic. The window closed in February 2023, having covered a loan portfolio of US$3,535,450 for 50 SMEs. The portfolio of outstanding loans at the end of June 2024 was US$2,579,212, and none of the participating financial institutions filed a claim through the PPCG for reimbursement of a defaulted loan.

A November 2023 workshop with local banks and microfinance institutions informed the design of the new shock-responsive mechanism, which relies on a parametric trigger. The new mechanism was in place in time for the 2024 rainy season.

Updates for FY25:

The decline in outstanding loans guaranteed by the crisis response window, coupled with the absence of claims on the window, suggests that this mechanism is enabling beneficiaries to manage shocks effectively and fulfill their loan obligations. At the end of the fiscal year, the outstanding loan portfolio covered by the crisis response window was US$2,523,183, and none of the participating financial institutions had filed a claim through the PPCG for reimbursement of a defaulted loan. As part of routine project monitoring and evaluation activities, analysis during the 2025 rainy season will examine data provided by the insurer, such as affected areas and extent of losses, to ensure that loans guaranteed by the PPCG are covering the intended beneficiaries.

The country's central bank reports that the overall credit offered by banks to the private sector has declined by approximately 2.3 percent, and Burkina Faso continues to contend with political uncertainty and fragility. The project design does not currently include a liquidity facility, and disbursement of the second tranche of the grant (equivalent to US$5 million) requires a 60 percent commitment in participating institution lending. With overall lending on the decline and the project closing in late FY26, it is unlikely this second tranche will be disbursed.

Expected deliverables for FY26:

- Engage a consultant to assist the government in completing its DRF strategy.
- Conduct capacity building on physical risk in the banking and microfinance sectors. The training is scheduled for the first week of December 2025.

BURKINA FASO

GSFF GRANT ENDORSED BY STEERING COMMITTEE:
February 16, 2021 (FY21)

EXPECTED CLOSING DATE:
April 30, 2026 (FY26)

RELATED WORLD BANK PROJECT APPROVED BY BOARD OF DIRECTORS:
April 30, 2019 (FY19)

AMOUNT AWARDED: US$12 M
Of which:

Technical assistance:	US$2 M
Capitalization:	
Original amount (crisis window):	US$10 M
Restructured amount: (shock-responsive mechanism):	US$5 M
TBD:	US$5 M

MATCHING FUNDS FOR CAPITALIZATION OF FINANCIAL INSTRUMENT(S):

ORIGINAL AMOUNT: IDA US$10 M (CRISIS WINDOW)

Restructured amount: IDA US$5 M (shock-responsive mechanism)

IDA US$5 M
(windows for MSMEs and women)

GENDER HIGHLIGHTS:
Approximately 10 percent of participating MSMEs are owned by women.

WORLD BANK PROJECT:
Financial Inclusion Support in Burkina Faso (P164786)

Additional Financing for Financial Inclusion Support Project to Support COVID-19 Crisis Recovery (P177087)

DISASTER RISK FINANCE INSTRUMENT(S) SUPPORTED:
Shock-responsive mechanism within a partial portfolio credit guarantee; serves as a backstop for the other three windows in the PPCG (for MSMEs, women entrepreneurs, and smallholder farmers)

WORLD BANK PROJECT LENDING AMOUNT:
US$100 M (IDA)

ANALYTICS, PRODUCTS, AND REFORMS SUPPORTED IN CONJUNCTION WITH THIS PROJECT:

Analytics:
- Review of risk model trigger options (completed)
- DRF diagnostic (completed 2024)

Policy/legislation/reforms:
- DRF strategy (under design, 2025)

DEMOCRATIC REPUBLIC OF CONGO:

Using the country's first parametric insurance product to reduce long-term extreme weather risks for farmers who adopt climate-smart agricultural practices

Background:
Extreme weather and conflict continue to threaten food security in the Democratic Republic of Congo. To address this situation, the World Bank has lent the country US$280 million for a multiphase project under the National Agriculture Development Program (NADP). This first phase focuses on increasing smallholder farmers' productivity by supporting their transition to climate-smart agricultural practices and reducing rural poverty. Future phases will progressively build links between regional value chains and agribusiness to promote private investment in commercial agriculture. Prior to 2019, the government did not use macro/sovereign or agricultural insurance, as the country had an underdeveloped insurance market and no access to insurance through regional pools such as ARC Ltd.

Financial solution:
Develop a parametric insurance product that covers extreme weather events and that operates in parallel to contingent financing currently available through NADP. Strengthen institutional capacity to use CDRFI to manage uninsurable risks such as animal or plant health and price fluctuations.

GSFF funding supported the development of the country's first parametric insurance product for drought and excess rainfall, which will operate in parallel to the CERC. The US$60 million policy is a meso-level product that will be held by the NADP. GSFF has designated US$20 million to cover the insurance product's premiums for three years. NADP will use any payouts to compensate farmers participating in its programming. In addition, GSFF funding is being used to develop a contingency plan that will outline how Contingency Emergency Response Component (CERC) funds accessed in these instances will be distributed.

Key highlights:

Global Risk Financing Facility

- **In February 2025, using a US$23 million GSFF grant, the Democratic Republic of Congo placed its first meso-level parametric insurance product, which provides up to US$60 million in coverage over three years.**

- **The policy renews annually and covers two agricultural seasons; it protects approximately 58,000 farmers in the first season and 70,000 in the second. The goal is to cover 300,000 farmers transitioning to climate-smart agricultural practices. Grant funding covers insurance premiums for three years.**

- **Technical assistance provided through the grant has supported the drafting of necessary regulations and helped grow the nascent domestic insurance market by building stronger connections between government agencies and local insurers.**

DEMOCRATIC REPUBLIC OF CONGO

An additional US$3 million in GSFF funding has been allocated for technical assistance to build in-country capacity for developing the instrument and for enhancing CDRFI work overall.

Progress made in previous fiscal years: Progress has been made in growing the domestic insurance market, creating an enabling environment for the new insurance product, and leveraging the expertise of on-the-ground humanitarian organizations.

- GSFF funding for insurance workshops and exchange visits enabled open communication among stakeholders. All seven of the domestic insurance companies operating in the Democratic Republic of Congo worked with the Ministry of Agriculture and the insurance regulator to launch the parametric insurance product.
- The government's first-ever climate contingency plan laid out the framework for preparing and responding to climate shocks in the agricultural sector. The Congolese interinstitutional task force responsible for launching the insurance product benefited from meeting with Zambian authorities, who faced similar challenges scaling up a meso-level insurance product.
- The World Food Programme surveyed farmers to verify that satellite agricultural data match what they have experienced on the ground. This information was part of the technical guidance WFP provided to the government and was crucial for developing the index that is the basis for the insurance product.

In FY24, the national regulatory authorities adopted the sandbox regulation for parametric insurance and microinsurance, thereby creating the legal framework for selling parametric products in the Democratic Republic of Congo. This important step was accomplished through a partnership with the International Finance Corporation.

Updates for FY25:

In February 2025, the drought and excess rainfall insurance policy was signed by the government and a consortium of the seven existing domestic insurance companies, represented by MayFair Insurance. The GSFF grant covered the insurance premiums and provided farmers with coverage against drought between February and June 2025 and with coverage against excess rainfall between August 2025 and January 2026. Approximately 58,000 farmers registered for the program and indicated they will be planting during the first season, a necessary condition for coverage. An estimated 70,000 are expected to be covered in the second season. In the first year of coverage, all risks were transferred to the reinsurer ZEP-RE; however, the domestic market is expected to take on 5–10 percent of the risks in the second year.

A second contingency plan was developed for animal and plant health outbreaks. This plan describes how the government will respond to non-climate risks using financing available from the CERC. In September 2025, this second contingency plan will be reviewed and validated by the members of the project implementation unit.

Expected deliverables for FY26:

- Pay the insurance premium for the second season and monitor the two indexes to ensure the insurance activates at the appropriate time.
- Expand the number of beneficiaries.

DEMOCRATIC REPUBLIC OF CONGO

GSFF GRANT ENDORSED BY STEERING COMMITTEE:

October 26, 2020 (FY21)

EXPECTED CLOSING DATE:

December 31, 2027 (FY28)

AMOUNT AWARDED: US$23 M

Of which:

Technical assistance:	US$3 M
Costs of financial instruments	US$20 M

GENDER HIGHLIGHTS:

Gender-related activities and results will be fully reflected in the planned monitoring and evaluation assessment. The project met its target of having 51 percent female beneficiaries during the first season.

DISASTER RISK FINANCE INSTRUMENT(S) SUPPORTED:

1. Meso risk transfer instrument (placed, 2025)
2. Contingent credit (CERC) (active, 2025)

RELATED WORLD BANK PROJECT APPROVED BY BOARD OF DIRECTORS:

June 25, 2021 (FY21)

MATCHING FUNDS FOR CAPITALIZATION OF FINANCIAL INSTRUMENT(S):

US$20 M (IDA)

WORLD BANK PROJECT:

National Agriculture Development Program for the Democratic Republic of Congo

(P169021)

WORLD BANK PROJECT LENDING AMOUNT:

US$440M (IDA)

ANALYTICS, PRODUCTS, AND REFORMS SUPPORTED IN CONJUNCTION WITH THIS PROJECT:

Risk analytics:

- Climate Contingency Plan (completed 2023)
- Animal and plant health outbreaks contingency plan (under design review 2025)
- Risk model (under design 2024)

Policy/legislation/reforms:

- Microinsurance and parametric insurance regulation (adopted 2024)

INDONESIA:

Expanding the country's CDRFI agenda to protect its budget and assets

Background:

Since 2018, when Indonesia launched its disaster risk finance strategy, the country has steadily expanded its approach for managing the financial and fiscal impacts of natural disasters. The priorities included protecting the state budget and state assets.

To protect the state budget, the government established the PFB with US$500 million in World Bank support through an Investment Project Financing with Performance Based Conditions (IPF PBCs) operation and a US$10 million grant from GSFF. The pooling fund receives a matched allocation from the state budget and is expected to continue receiving annual budget allocations after the World Bank project closes. In 2021, the government passed a presidential regulation that legalized the establishment of the pooling fund, but beyond this the PFB has required extensive regulatory work for various ministries and agencies.

To protect assets, the government established the state assets insurance program, ABMN, which currently includes health care facilities, education facilities, and office buildings. In the coming year, this program is expected to expand to critical infrastructure, with an initial focus on bridges.

Financial solution:

The PFB serves as a central mechanism for budget protection with the objective of financing costs of financial solutions that can be leveraged for repair and reconstruction after disasters.

The pooling fund will use its investment returns to finance pre-disaster activities—such as emergency preparedness training—or to subsidize premium payments for insurance products. Over time, the pooling fund will leverage domestic and international insurance and capital markets by purchasing additional instruments that increase its financial capacity and ability to provide large-scale post-disaster relief. As part of this effort, ABMN will be included as one of the first products financed by the pooling fund.

Key highlights:

Global Risk Financing Facility

- **A US$14 million GSFF grant is funding the start-up and operating costs of a US$500 million Pooling Fund for Disaster (Pooling Fund Bencana, PFB), the cornerstone of Indonesia's 2018 DRF strategy and the country's central mechanism for financing disaster preparedness and response.**
- **In FY25, Indonesia passed a key regulation that makes the PFB operational and ready to disburse funds.**
- **The pooling fund serves multiple purposes. The funds are invested in line with the hosting agency's investment returns, and investment returns will initially be used to finance disaster preparedness activities and fund the cost of new CDRFI instruments.**
- **The government will also use PFB funding to support the future renewal and expansion of the country's state asset insurance program (Program Asuransi Barang Milik Negara, ABMN). The program currently covers more than 10,000 office buildings, educational facilities, and health facilities with a total insured value of US$2.9 billion and premium of US$5.7 million. It has paid out more than US$6.6 million since its inception.**

INDONESIA

GSFF supports the PFB's start-up and operating costs and provides the technical expertise and data improvements needed to design an autonomous mechanism in line with global standards.

Progress made in previous fiscal years: In FY22, GSFF funding supported activities that laid the groundwork for the PFB, including development of strategic and budget plans, a risk finance strategy, budget tracking guidelines, and an environmental and social management system framework. In FY23, the core operational documents were updated and enhanced. Indonesia's Ministry of Finance also began drafting the regulation to make the pooling fund operational and created a new project management unit to manage and implement it. In FY24, the government initiated the process for allocating funds for preparedness activities to four line ministries.

Updates for FY25:

In April 2025, the government issued a key regulation that makes the PFB operational and ready to disburse funds.

As of May 2025, more than two-thirds of the 33 performance-based condition sub-results required for World Bank lending have progressed: 19 have been fully completed, with the remaining expected to be completed within the next nine months, ensuring full disbursement of the project.

The trust fund has leveraged resources for achieving these targets by supporting a strategic plan and risk finance strategy, an environmental and social management system, an annual budget plan, and guidelines for disaster expenditure tracking. Capacity-building initiatives have also contributed to a stronger enabling environment for CDRFI in the country. In November 2024, GSFF funding enabled 15 government officials to travel to New Zealand to learn how the operational structure of the Natural Hazards Commission could serve as a model for PFB's structure.

Expected deliverables for FY26:

- Fulfill the 33 performance-based conditions before the project closes on October 4, 2025.
- Ensure PFB's disbursement procedures are ready, and that PFB is able to disburse funds to cover ABMN's premiums and pre-disaster activities. (Additional regulations are needed for PFB to fund post-disaster activities.)

GSFF GRANT ENDORSED BY STEERING COMMITTEE:
August 24, 2020 (FY21)

EXPECTED CLOSING DATE:
March 15, 2026 (FY26)

RELATED WORLD BANK PROJECT APPROVED BY BOARD OF DIRECTORS:
Approved January 21, 2021 (FY21)

AMOUNT AWARDED: US$14 M
Of which:

Technical assistance:	US$4 M
Start-up and operating costs for risk-financing vehicle:	US$5 M
Costs for implementation /system building:	US$5 M

MATCHING FUNDS:
US$500 M
(matched by the Government of Indonesia)

WORLD BANK PROJECT:
Indonesia Disaster Risk Finance & Insurance (P173249)

INDONESIA

DISASTER RISK FINANCE INSTRUMENT(S) SUPPORTED:

1. Contingency fund (Active, 2025)
2. Macro/sovereign insurance for state assets (2019–2023; 2023–2026)
3. Macro/sovereign risk transfer (planned, TBD)

WORLD BANK PROJECT LENDING AMOUNT:

US$500 M (IBRD)

GENDER HIGHLIGHTS:

N/A

ANALYTICS, PRODUCTS, AND REFORMS SUPPORTED IN CONJUNCTION WITH THIS PROJECT:

Product:

- Government asset database (Completed 2024)

Legislation:

- Presidential regulation for the establishment of the Indonesia Pooling Fund for Disaster (PFB) (Perpres no. 75/2021) (Adopted 2021)
- Minister of Finance decree for the appointment of the Indonesia Environment Fund (BPDLH) as the operating unit (BLU) within the MoF that would house and operate the PFB. (KMK no. 407/2021) (Adopted 2021)
- Head of (the National Disaster Management Bureau) BNPB regulation on the PFB proposal verification (Perka BNPB no. 1/2024) (Adopted 2024)
- MOF regulation for collection, disbursement, investment (Minister of Finance Regulation/PMK), (Adopted 2025)
- BPDLH has enrolled in the MOF to be assigned as government investment officer (OIP) (Adopted 2024)
- PMK on APBN top-up to PFB (new) (Under design, Dec 2025)
- KMK on SNG Participation to PFB (new) (Under design, Dec 2025)
- BPDLH Regulation on Guideline for PFB's Fund Disbursement (Under design, Dec 2025)
- PMK on expansion of ABMN (PMK no. 43/2025)) (Adopted, July 2025)
- PMK on risk transfer mechanism for other insurance (non-ABMN) (Under design, Dec 2025)

Technical report:

- Roadmap for designing the PFB (Completed 2023)
- Strategic plan for PFB (Completed 2023)
- DRF strategy for PFB (Completed 2023)
- Budget plan for PFB (Completed 2023)

LAO PDR:
Testing an innovative impact-based trigger on a multiperil insurance policy

Background:
Droughts, floods, and storms are Lao PDR's most prevalent hazards. Three of the five costliest natural disasters have taken place since 2009, including two floods in 2013. Lao PDR's flood insurance policy was the SEADRIF Insurance Company's first product and was reinsured through international reinsurance markets. SEADRIF was established in December 2018 as a regional platform to strengthen ASEAN countries' financial resilience to climate shocks and disasters through risk transfer products and technical support. The SEADRIF Insurance Company provides downstream insurance services to member countries. Lao PDR's insurance policy comprised two parts: The first was a parametric insurance product that triggered based on the number of people affected by floods of more than 25 cm in depth. The second was a finite insurance component that provided financing for costs resulting from events that did not trigger the parametric component.

Updates for FY25:
The related World Bank project was approved on May 26, 2025; once the effectiveness and disbursement conditions were lifted at the end of July 2025, the GSFF grant funds were disbursed to pay the premium renewal.

The new impact-based trigger for the macro/sovereign insurance policy addresses the government's desire to develop a product more tailored to Lao PDR's resources and context. Instead of relying on modeled losses or measured on-the-ground conditions, the National Disaster Management Office (NDMO) will apply an independent reporting framework. As the number of affected people accumulates each year and crosses pre-agreed thresholds, payouts will be triggered and released within 10 business days.

Key highlights:

- **A US$3 million grant from GSFF[1] supports the premium for the renewal of Lao PDR's parametric insurance policy under the Southeast Asia Disaster Risk Insurance Facility. Two earlier policies placed prior to GSFF's support paid out a total of US$4.5 million for floods in August 2023 and following Cyclone Yagi in September 2024.[2]**

- **In May 2025, supported by GSFF and US$600,000 from the Risk Finance Umbrella Multi-Donor Trust Fund, the government renewed the policy for an additional two years. The renewed multiperil policy provides up to US$16 million in financial protection against floods, tropical cyclones, earthquakes, landslides, and related perils.**

- **Notably, the renewed policy introduces an innovative impact-based trigger linked to the annual aggregate number of people affected by disasters. Lao PDR is among the first countries to pilot this approach, which could serve as a model for other SEADRIF member countries.**

1 A US$10.5 million GSFF grant to SEADRIF was repurposed to provide the US$3 million in funding for the Lao PDR project. The remaining SEADRIF grant funds were returned to GSFF and will be reallocated.

2 The original policy, which was not supported by GSFF, provided approximately US$30 million in coverage and triggered US$1.5 million in payouts for floods in August 2023. The premium of US$5 million was paid by the Ministry of Finance through an IDA loan (Lao PDR Southeast Asia Disaster Risk Management Project, P160930). After its expiration in February 2024, the policy was temporarily renewed with a reduced US$3 million coverage limit, funded entirely from underwriting profits. A full payout was triggered under this temporary renewal following Cyclone Yagi in September 2024.

3. Grants Under Implementation in FY25

LAO PDR

Experience from the first three years of the project revealed that the original parametric triggers did not align with the government›s expectations or actual disaster experience. No payouts were triggered under the parametric component in the first period. Discrepancies between the outputs of the flood risk monitoring platform and local reports highlighted the need to revise the trigger design to better reflect both government requirements and reinsurance considerations. From an operational perspective, delays were also undermining effectiveness; the government was taking nearly a year to submit a claim and more than four months to disburse the funds after SEADRIF had transferred the payouts.

GSFF GRANT ENDORSED BY STEERING COMMITTEE:
October 2023 (FY24)

EXPECTED CLOSING DATE:
April 30, 2027 (FY27)

RELATED WORLD BANK PROJECT APPROVED BY BOARD OF DIRECTORS:
Approved May 26, 2025 (FY25)

AMOUNT AWARDED: US$3 M
Of which:
Costs of financial instruments (including premiums): US$3 M

MATCHING FUNDS FOR CAPITALIZATION OF FINANCIAL INSTRUMENT(S):
Costs of financial instrument(s):
US$5 M (IBRD)

DISASTER RISK FINANCE INSTRUMENT(S) SUPPORTED:
Macro/sovereign-level parametric insurance product (placed, renewal)

WORLD BANK PROJECT:
Lao PDR: Improved Access to Disaster Risk Financing (P505224)

GENDER HIGHLIGHTS:
N/A

WORLD BANK PROJECT LENDING AMOUNT:
N/A

ANALYTICS, PRODUCTS, AND REFORMS SUPPORTED IN CONJUNCTION WITH THIS PROJECT:
N/A

LESOTHO:

Implementing new CDRFI instruments to keep small firms operating during climate shocks

Background:
Before engaging with GSFF, Lesotho relied on budget reallocations, borrowing, and humanitarian aid for financing disaster response, making it difficult for the government to manage its increasing climate and disaster risks, especially drought. In addition, Lesotho's largely informal workforce remains particularly vulnerable to the long-lasting impact of disasters; most workers are not connected to the official systems through which government support is provided. In June 2022, the World Bank approved US$45 million in IDA financing and a US$8.5 million GSFF grant for the Lesotho Competitiveness and Financial Inclusion (CAFI) project, which provides MSMEs—especially those operated by women or youths—with greater access to business and financial support.

Financial solution: Create a US$4 million MSME resilience window within one of the government's existing contingency funds. A new macro/sovereign insurance product backstops the contingency fund to ensure it has adequate financial capacity during severe droughts[1]

The US$4 million MSME resilience window is capitalized with contingent funds from the related World Bank project. When there is a qualifying climate or other event, it provides emergency payments to MSMEs that likely would have remained viable under normal (nonemergency) conditions. One unique aspect of the MSME resilience window is that it provides MSMEs with grants rather than loans, enabling quicker relief in a context where administering complex programs has repeatedly proven difficult. The structure may switch to loans as the program matures. Part of the GSFF grant is being used to structure the fund to align with international standards for operation and governance.

Key highlights:

Global Risk Financing Facility

- A US$8.5 million GSFF grant funds two new CDRFI instruments, allowing Lesotho to use a risk-layering approach to manage its climate shock risks and protect MSMEs, a key sector of its economy. The grant supplements US$45 million in World Bank IDA lending for a broader financial inclusion project.
- The government developed a resilience window within an existing contingency fund that provides emergency grants to eligible MSMEs. The resilience window became active in FY25, and the aim is to use it following the drought declaration by the government in June 2025.
- In FY25, the government used funding from the AfDB to launch a pilot macro/sovereign drought insurance policy, which triggered due to the same drought. The GSFF grant is expected to fund the policy's renewal in time for the September 2025 growing season.
- Together, the instruments provide financial protection for an estimated 20,000 MSMEs.
- The GSFF grant also supports the country's first national DRF strategy and improves disbursement mechanisms for emergency payouts.

1 Project funds of US$6 million, split between GSFF and IDA, will be used for premium payments.

LESOTHO

The macro/sovereign insurance product backstops the contingency fund, ensuring that if severe drought creates demand exceeding the fund's financial capacity, the government can use the insurance payout to continue providing affected MSMEs with rapid emergency relief payments. GSFF's grant will cofinance the product's premiums.

Additional activities funded by the GSFF grant contribute to the long-term success of Lesotho's CDRFI instruments, including a national DRF strategy and improvements to the disbursement mechanisms used to deliver emergency relief payments.

Progress made during previous fiscal years: A plan for a single, centralized registry of informal and formal MSMEs was developed in FY23 to replace the multiple registries that made it difficult for the government to disburse emergency payments quickly and efficiently. In FY24, the government established its first technical working group for DRF, and the value-for-money analysis for the insurance product was completed. The government also joined ARC Ltd. and became its chair. Membership allows Lesotho to purchase insurance products from ARC Ltd. and receive capacity-building support.

A 2024 GSFF-funded case study highlighted how the project's design ensures women benefit from increased use and understanding of CDRFI. The design of the DRF strategy and instruments took into account women-led businesses and drew on analysis of the impact of disasters on women. The project also uses sex-disaggregated data in its monitoring and evaluation activities.

Updates for FY25:

Pilot drought insurance policy triggered. A pilot of the macro/sovereign insurance policy was placed with ARC Ltd. in November 2024 with funding from the AfDB; the policy provided coverage until June 2025. A national drought was declared in June 2025, and nearly US$2.8 million will go to more than 30,700 farming and vulnerable households in Lesotho's 10 districts. The government is assessing the effectiveness of the pilot and is considering whether less frequent payouts will provide better value for money. The GSFF grant, which will pay the premiums for the policy's renewal, may be amended so that MSMEs (currently approved under the CAFI project grant) can be covered as well as households (covered under the pilot AfDB-financed policy). The policy renewal is expected by September 2025 ahead of the growing season.

Resilience window active and expected to be used for drought response. The resilience window became active in April 2025, with the final design requiring MSMEs to apply for emergency financial assistance. The government made this change after determining its registry of MSMEs was not sufficiently accurate to use for automatic disbursements. The new window is expected to be used in response to the June 2025 drought declaration. However, at FY25 close, the payment application process had not yet started. Eligible MSMEs are expected to apply for assistance early in FY26.

DRF strategy completed. The World Bank team will provide technical assistance to the Ministry of Finance and Development Planning to advance the strategy's operationalization.

Participation in REPAIR postponed. Members of Lesotho's DRF technical working group took part in a workshop in anticipation of the country's joining Phase 2 of the World Bank's REPAIR program. Lesotho's government eventually determined it was not ready to join REPAIR Phase 2, but it may join Phase 3 following an evaluation of how participating in REPAIR fits within its overall DRF strategy.

Expected deliverables for FY26:

- Support the government's public campaign to raise awareness of the DRF strategy and MSME resilience instruments.
- Provide technical assistance to the government to ensure any payouts from the MSME resilience fund are managed in accordance with the handbook.
- Support the government's negotiations to modify and extend its sovereign disaster insurance policy by September 2025.

LESOTHO

GSFF GRANT ENDORSED BY STEERING COMMITTEE:

April 15, 2022 (FY22)

EXPECTED CLOSING DATE:

July 31, 2028 (FY29)

RELATED WORLD BANK PROJECT APPROVED BY BOARD OF DIRECTORS:

Approved June 24, 2022 (FY22)

AMOUNT AWARDED: US$8.5 M

Of which:

Technical assistance:	US$1 M
Costs of financial instrument(s), Including premiums:	US$5 M
Implementation/system building:	US$2.5 M

MATCHING FUNDS FOR COSTS OF FINANCIAL INSTRUMENT(S):

US$5 M (IDA)

WORLD BANK PROJECT:

Lesotho Competitiveness and Financial Inclusion Project (P175783)

GENDER HIGHLIGHTS:

The resilience window will account for gender in the eligibility criteria and will establish targets to ensure MSMEs owned by women receive relief funds in the event of shocks. Analytical products, including the national DRF strategy, the value-for-money analysis, and the MSME Resilience Fund Handbook, all take gender-specific impacts into account. The Ministry of Gender, Youth, and Social Development is a core member of the new DRF Technical Working Group and will help ensure gender considerations are reflected in all relevant strategies and activities. Women will also receive financial literacy and digital payments training.

WORLD BANK PROJECT LENDING AMOUNT:

US$45 M (IDA)

ANALYTICS, PRODUCTS, AND REFORMS SUPPORTED IN CONJUNCTION WITH THIS PROJECT:

Risk analytics:

- Value-for-money analysis (completed FY24)
- MSME Resilience Fund Handbook (Adopted, Apr 2025)

Policy/legislation/reforms:

- DRF strategy (Adopted Mar 2025)

DISASTER RISK FINANCE INSTRUMENT(S) SUPPORTED:

1. Resilience window within an existing contingency fund (operating as of FY25)
2. Macro/sovereign insurance product to backstop the contingency fund (under design, expected December 2025)

MALAWI:

Leveraging CDRFI to scale up social safety nets during crises

Background:
For more than two decades, Malawi has invested in strengthening its social safety nets, which have kept the country's poorest populations from falling further into poverty. Thanks to small regular payments provided through the flagship SCTP, families have not been forced to choose among essential household expenditures such as school fees or food. The financial resilience they have built remains tenuous, however. In 2019, the World Bank committed US$312.5 million in IDA lending to strengthen Malawi's social safety net program. A large portion of these resources is used for direct cash transfers, with some funds set aside to improve the safety net's electronic payment systems and restructure the SCTP to make it scalable in a crisis. New safety nets in the form of climate-smart public works and livelihood support programs financed by the World Bank complement the cash transfer program and contribute to greater financial inclusion throughout the country.

Financial solution: Use disaster CDRFI to make the social cash transfer program shock-responsive (i.e., capable of being scaled up in the event of a disaster).

A contingency fund provides emergency cash transfers in response to moderate droughts, and a macro/sovereign risk transfer instrument covers the cost of larger scale-ups for more severe droughts. The cash transfer program is scalable in two ways: it can provide additional emergency funds to existing beneficiaries, and it can extend coverage to include new participants who have been pre-identified as vulnerable in the country's social registry. GSFF funding has supported the improvement of payment and registration systems for beneficiaries, as well as capacity building, legal reforms, and the codification of standard operating procedures for CDRFI instruments.

Key highlights:

Global Risk Financing Facilit | ASP

- **A US$21 million GSFF grant has supported development of two CDRFI instruments whose payouts are distributed through Malawi's flagship Social Cash Transfer Programme (SCTP) and Climate Smart Public Works Programme (PWP) during drought emergencies. Together the instruments covered a total of approximately 1.2 million people during FY25.**

- **A US$11.5 million contingency fund for moderate droughts provided US$50,000 in emergency payments during FY25. The fund originally held US$37.5 million and has been adapted for use in response to the COVID-19 pandemic and tropical cyclones.[1]**

- **A US$9.7 million macro/sovereign instrument for severe droughts is the second annual policy to leverage GSFF funds for premium payments. Malawi was the first African country to use an insurance product to directly and explicitly backstop a shock-responsive component for a social protection program. This innovation has led other countries to try to replicate the model.**

1 The continency fund was originally capitalized with US$20 million of IDA financing; it was replenished with US$17.5 million of additional World Bank financing. Some of this additional financing was used for Malawi's response to Tropical Cyclone Freddy. At the end of FY25, the balance left in the contingency fund was US$11.5 million. The government considered using some of the contingency fund resources to renew its macro/sovereign insurance policy for the 2025–2026 season, since the portion of the GSFF grant allocated for premium subsidies had been spent; due to foreign exchange challenges, it was ultimately unable to do so. The original macro/sovereign insurance policy is a two-year policy with ARC Ltd. offering US$11 million in coverage per year, equivalent to US$22 million over two years.

MALAWI

Progress made during previous fiscal years:

The government and the World Bank collaborated to ensure Malawi's institutions were prepared to manage augmented CDRFI functions, such as evaluating bidding requirements and potential providers, reviewing tax requirements, and assessing the legality of using international reinsurers. The government also used GSFF funding to improve the payment and registration systems for disbursing emergency funds and to develop a handbook that standardizes the guiding principles, operational framework, and institutional structure for scaling up the SCTP and PWP in response to shocks.

In 2023, Malawi successfully placed the macro/sovereign risk transfer product with ARC Ltd.; this product covered the cost of scale-ups through 2025 in six districts. GSFF's grant covered the policy's premiums. In 2024, the government expanded the policy coverage to eight districts, and all eight—plus an additional two funded through the contingency fund—received payouts when the triggers were confirmed as accurately reflecting drought conditions on the ground (Table A1.2.).

- **Droughts have led to four scale-ups of the cash transfers through the SCTP and PWP since grant inception, and more than 300,000 households (approximately 1.36 million people) have received emergency transfers totaling nearly US$23 million.**

- **With experience, the government has significantly reduced the amount of time needed to distribute payments, from six months to one month. In FY25, the government also negotiated with insurers to make early payouts when drought conditions were met instead of waiting until the end of the season.**

- **Based on Malawi's success using this grant, in FY25 the GSFF endorsed a second US$10 million grant, the majority of which would be used to pay the premiums for a new risk transfer instrument that covers other perils, thereby expanding the financial protection provided by the SCTP. This instrument will be incorporated within the next World Bank social protection support project under preparation in Malawi.**

Table A1.2. Emergency Funds Distributed through SCTP and PWP Scale-ups, 2022–2025

Date triggered	Date of payment	Instrument used	Amount paid	Number of people reached
June 2022	Dec. 2023	Contingency fund	US$6.3 M	74,683 households or around 335,871 people
June 2023	Oct. 2023	Contingency fund	US$0.9 M	12,747 households or around 57,362 people
June 2024	July 2024	Contingency fund	US$5.3 M	140,029 households or around 630,131 people across both instruments
June 2024	July 2024	Risk transfer (insurance)	US$6.6 M	
Jan. 2025	Apr. 2025[a]	Contingency fund	US$0.05 M	74,000 households or around 330,000 people across both instruments
Jan. 2025	Apr. 2025[a]	Risk transfer (insurance)	US$3.65 M	

Source: World Bank. Abbreviations: PWP = Climate Smart Public Works Programme; SCTP = Social Cash Transfer Programme.
a. Drought conditions were met in January 2025. The government negotiated an early payout in April; in the past, the earliest the instruments could have triggered would have been at the end of the season in June.

MALAWI

Though GSFF funding has focused on reducing the negative impact of drought, Malawi has been able to adapt the scalable mechanism to handle multiple crises, including the COVID-19 pandemic and Tropical Cyclone Freddy.

Updates for FY25:

Faster payouts achieved. Both instruments were triggered during the fiscal year, leading to a payout of approximately US$3.7 million to around 330,000 people. Since developing the scalable mechanism, the government has consistently reduced the amount of time needed to distribute emergency payments by proactively resolving bottlenecks. What initially took six months was reduced to one month, and the government even negotiated early payments from its insurance policy in FY25. Drought conditions in Ntcheu District were met in January 2025 and payouts began in April; in the other districts, conditions were met in April with payouts in June and July 2025. In the past, the decision to deliver a payout was not made until June, when coverage for the season had ended, after which organizing the distribution of the payouts took several months. The improved timing of the payments is critical because it allows people to make purchases well in advance of the onset of the lean season when less food is available. The government is now considering how future insurance contracts can include similar provisions.

Analytical products completed. The results of a rapid feedback survey completed this fiscal year confirmed that most households used their emergency payments for food. Other findings indicate that better communication about payments—the reason for payment, payment dates, and amount to be received—is needed. A policy brief covering findings will be released next fiscal year. An additional brief outlining lessons learned from the 2024 drought is pending publication by the government. It describes how pre-defined protocols facilitated faster payments and expanded coverage, and also notes that program participants have a preference for e-payments, which provide them with a feeling of enhanced security.

Knowledge exchange held. Malawi hosted representatives from Bangladesh, Mozambique, and Sierra Leone to discuss how to link financing mechanisms with delivery systems to improve the timeliness and effectiveness of response. A separate training session was held for Malawi's government officials and other CDRFI stakeholders. About one-third of the participants were female and have now been integrated into the DRF technical working group, increasing the number of female CDRFI experts in Malawi. The session also helped validate the findings of a DRF technical analysis that informed the review of the expired DRF strategy and supported the development of a successor strategy.

Expected deliverables for FY26:

- In FY26 the team will focus on providing technical assistance, supporting the rollout of Malawi's social registry information systems, and mainstreaming e-payments across all districts.

MALAWI

GSFF GRANT ENDORSED BY STEERING COMMITTEE:

October 3, 2019 (FY20)

EXPECTED CLOSING DATE:

December 31, 2027 (FY28)

RELATED WORLD BANK PROJECT APPROVED BY BOARD OF DIRECTORS:

Approved December 10, 2019 (FY20)

AMOUNT ENDORSED: US$21 M

Of which:

Technical assistance:	US$4 M
Start-up costs and operating costs for risk financing vehicles:	US$2 M
Costs of financial instruments (including premiums):	US$10 M
Costs for implementation system building:	US$5 M

MATCHING FUNDS FOR COSTS OF FINANCIAL INSTRUMENT(S)

US$10 M

(capital for the contingency fund)

WORLD BANK PROJECT:

Social Support for Resilient Livelihoods Project (P169198)

GENDER HIGHLIGHTS:

In FY25, about one-third of the participants of the DRF analytics training were female and have now been integrated into the DRF technical working group. This contributed to increasing the number of female DRF experts in the country.

WORLD BANK PROJECT LENDING AMOUNT:

US$312.5M (IDA)

DISASTER RISK FINANCE INSTRUMENT(S) SUPPORTED:

1. Contingency fund (active since November 2021)
2. Macro/sovereign risk transfer product –second policy now closed. (placed November 1, 2023–April 10, 2025)

ANALYTICS, PRODUCTS, AND REFORMS SUPPORTED IN CONJUNCTION WITH THIS PROJECT:

Risk analytics:

- Risk model (completed 2021)

Technical report:

- Analysis informing trigger design (completed 2021)
- SCTP Scalable Handbook (completed 2022)

Policy/legislation/reforms:

- Development of successor DRF strategy (under design, expected 2026)

MOROCCO:
Strengthening the financial resilience of the public Solidarity Fund after a major earthquake

Background:
Morocco and the World Bank have collaborated for over 15 years to strengthen the country's disaster risk response framework and increase the use of disaster risk finance solutions. In 2016, the government passed a law requiring insurers to cover earthquakes, floods, and tsunamis in insurance policies. People who cannot afford private insurance are eligible to apply for compensation through FSEC, which became operational in 2019.

Before engaging with GSFF, Morocco developed several risk finance instruments with World Bank support that have been successfully used for disaster response. A contingent credit instrument provided the government with US$275 million[3] in financing for post-disaster response, which was then used to manage the impact of the COVID-19 pandemic. A macro/sovereign reinsurance instrument paired with FSEC's own reserves provided US$300 million[4] for disaster response following the Al Haouz earthquake in September 2023. In the aftermath of this earthquake and following the full disbursement from the initial earthquake macro/sovereign reinsurance contract, FSEC placed a similar instrument that offers one year of coverage, which has since been renewed for a further three years. Notably, the premium for this instrument was paid by FSEC.

Financial solution: Develop a macro/sovereign insurance product for financial protection against flooding and a catastrophe bond for protection against earthquakes. Both instruments will help protect the FSEC from depletion in case of severe climatic events.

The macro/sovereign insurance product will scale up FSEC's financial capacity in the event of severe flooding. The catastrophe bond will complement the current macro/

Key highlights:

Global Risk Financing Facility

- **The Al Haouz earthquake in September 2023 has led the government to reassess its CDRFI priorities while it also contends with new constraints such as rising premiums for macro/sovereign insurance. In light of this situation, both the US$5.3 million GSFF grant, endorsed in May 2022, and its related World Bank project are being restructured.**
- **Though details are not yet finalized, the grant is likely to support premiums for a macro/sovereign insurance product for floods as well as structuring costs for a catastrophe (CAT) bond for earthquakes. This is in addition to continued funding for existing activities.**
- **Once placed, the insurance product and CAT bond will ensure that Morocco's Solidarity Fund against Catastrophic Events (Fonds de Solidarité contre les Évènements Catastrophiques, FSEC) has the financial capacity to continue providing emergency relief payments when a catastrophic event occurs. FSEC provides compensation to people affected by disasters who are not covered by private insurance. It has been successfully deployed since 2019.**

3 This sum was from a CAT DDO that was restructured to allow the government access to the US$275 million line of credit as part of its pandemic response.
4 Of this sum, US$275 million was paid out from the macro/sovereign parametric insurance, and US$25 million was from reserves accumulated from a parafiscal tax on private homeowner insurance policies.

sovereign reinsurance product for earthquakes and allow FSEC to achieve its objective of protecting against events up to the 1-in-100-year level,[5] while increasing FSEC's market power, diversifying risk transfer counterparties, and providing opportunities to innovate on the product structure. (The FSEC Board reached this decision using actuarial modeling completed in FY24 with GSFF funding.) Based on Morocco's experience with the Al Haouz earthquake, the catastrophe bond will cover more severe events, with trigger thresholds to be determined during the design phase.

The GSFF grant supports improvements to the FSEC's distribution channels. Near-real-time systems that more accurately assess the post-disaster financial needs of affected persons and a digital platform that facilitates payments complement traditional claim submission channels. These technical assistance activities may change as the project is restructured.

Progress made during previous fiscal years:
Development of the two financial instruments was initially delayed due to the pandemic; in addition, an assessment done during the project preparation stage identified insufficient fiduciary, financial management, and procurement capacity within the FSEC. During FY23, project preparation improved the structure of Morocco's DRF program. The occurrence of the Al Haouz earthquake in September 2023, just before project signing in October 2023, shifted the sequencing of the project activities and led the government to prioritize components dedicated to post-disaster response. In FY24, the government procured a digital platform to facilitate the distribution of US$300 million in financing arranged ahead of disasters (reserves and macro/sovereign reinsurance).

Updates for FY25:
In line with government priorities, a second, improved version of the digital platform is nearly complete, and communication materials that explain how earthquake victims can seek compensation have been used in the field.

Technical modeling work conducted during the fiscal year on the macro/sovereign instrument for floods showed substantial residual basis risk and an increased likelihood for the placement to fail. Sensors that measure floods locally would reduce this basis risk and will be procured in FY26. Preparatory work for the catastrophe bond was completed; however, the agreement between FSEC and World Bank Treasury to support its potential placement is pending internal World Bank processes, including the project's restructuring. The restructured project will incorporate lessons learned by adding new relevant activities (e.g., sensor financing, premium cofinancing) and will drop those that are no longer relevant. It will also likely increase allocation of financing to catastrophe bond transaction costs and extend the project closing date.

Expected deliverables for FY26:

- Procure new sensors that improve the accuracy of flood risk assessments.
- Place the macro/sovereign insurance product (floods).
- Place the catastrophe bond (earthquakes).

5 This objective is specified in the Government of Morocco's DRF strategy.

MOROCCO

GSFF GRANT ENDORSED BY STEERING COMMITTEE:
August 31, 2020 (FY21)
May 1, 2022 (FY22)
(additional grant request for supervision costs)

EXPECTED CLOSING DATE:
June 30, 2027 (FY27)

AMOUNT AWARDED: US$5 M (FY20)
US$0.3 M (FY22)

Of which (prior to project restructuring):

Technical assistance:	US$1.8 M
Start-up costs and operating costs for risk financing vehicles:	US$1.5 M
Systems building:	US$2 M

GENDER HIGHLIGHTS:
Targeted communications campaigns are designed to resonate with women and clarify their right to seek compensation.

RELATED WORLD BANK PROJECT APPROVED BY BOARD OF DIRECTORS:
June 28, 2023 (FY23)

MATCHING FUNDS:
Any premium (to be determined during project restructuring) will be paid through FSEC's budget.

WORLD BANK PROJECT:
Strengthening Morocco's Financial Resilience to Climate Physical Risks (P175523)

ANALYTICS, PRODUCTS, AND REFORMS SUPPORTED IN CONJUNCTION WITH THIS PROJECT:
Risk analytics – all to be reassessed as part of restructuring:
- Earthquake modeling (TBD)
- Flood modeling (TBD)
- Near-real-time tools (TBD)

DISASTER RISK FINANCE INSTRUMENT(S) SUPPORTED:
1. Macro/sovereign insurance product for flood (under design, TBD with project restructuring)
2. Catastophy bond for earthquakes (under design, TBD with project restructuring)

PAKISTAN:

Providing emergency liquidity to microfinance lenders and borrowers in disaster-prone areas through CDRFI instruments

Background:
Pakistan's microfinance sector caters to those at the bottom of the economic welfare pyramid, including borrowers working in the agriculture sector, those living in rural areas, and women. The microfinance sector drives financial inclusion, accounting for over 80 percent of the borrowers in the formal financial system.

Locust attacks in 2019, the onset of the COVID-19 pandemic in 2020, and floods in 2022 have negatively impacted Pakistan's microfinance sector. The series of shocks also coincided with a macroeconomic crisis, and annual growth in the microfinance sector receded to 2.4 percent in 2023, from an annual average of 19.1 percent over the period 2018–2022. The sector caters to vulnerable populations who often work in agriculture, live in rural areas, or live in areas prone to climate shocks and who may lack the resources to recover from financial losses.

The World Bank's US$125 million Resilient and Accessible Microfinance (RAM) Project, including the US$25 million GSFF grant, complements ongoing CDRFI initiatives, among them a national DRF strategy and a nascent agricultural insurance market.

Financial solution: Establish the CRF, which can be used to provide contingent liquidity to eligible microfinance providers after there is a qualifying flood and to pilot the bundling of loans with agri-tech services in order to build resilience ahead of disasters. Design a parametric insurance product as a backstop in case of a severe climate shock.

The planned parametric insurance product will protect the CRF's capital against a severe climate event—i.e., one with a return period of 15 or more years.

Key highlights:

- **A US$25 million GSFF grant cofinances the design, establishment, and capitalization of the Climate Risk Fund, a wholesale financing vehicle that in total provides US$105 million in contingent liquidity for eligible microfinance providers whose borrowers are impacted by a qualifying flood.[3] The CRF also has a US$20 million line of credit for microfinance providers so that they can pilot bundling loans with agri-tech services. The project was approved by the World Bank Board of Directors in March 2025.**
- **Nearly 1.9 million people are estimated to benefit from these instruments over the project's five-year span, and the project has been designed to ensure that microfinance lenders use pricing incentives to help the project achieve gender-focused outcomes in on-lending.**

1 The trigger threshold is 20 percent annual probability of gross loan portfolio affected. An annual probability of 20 percent is equivalent to a 1-in-5-year return period, meaning that on average an event of that severity or above should be expected every five years.

PAKISTAN

Updates for FY25:

- The RAM Project was approved by the Board of Directors in March 2025 and was fully disbursed to capitalize the CRF within three months.
- Innovative risk modeling for the CRF, which overlays flood risk with the portfolios of participating microfinance lenders, was completed and underpins the design of the CRF.

Expected deliverables for FY26:

- Continue to conduct capacity-building activities for the State Bank of Pakistan that focus on flood modeling, use of the CRF for emergency response, and parametric insurance.
- Design the parametric insurance product.
- Commence risk modeling for other types of natural hazards (likely for extreme heat and drought).

GSFF GRANT ENDORSED BY STEERING COMMITTEE:
November 16, 2023 (FY24)

EXPECTED CLOSING DATE:
December 31, 2029 (FY30)

AMOUNT AWARDED: US$25 M
Of which:

Technical assistance:	US$2 M
Costs of financial instruments (including premiums):	US$13 M
Capitalization:	US$10 M

GENDER HIGHLIGHTS:
Approximately 45 percent of the active borrowers in the microfinance sector database are women; microfinance lenders will use pricing incentives to help the project achieve gender-focused outcomes when on-lending. The project has set a target of at least 55% of the beneficiaries of MFPs bene-fitting from CRF liquidity being women.

While microfinance has historically lent to significantly more females than the conventional banking sector, the gender gap in loan size remains large. In 2024, average loans to female borrowers were around 64 percent of the size of loans to male borrowers.

DISASTER RISK FINANCE INSTRUMENT(S) SUPPORTED:

1. Macro/sovereign-level parametric insurance product (Under design, Dec 2026
2. Contingency fund (Active, June 2025)

RELATED WORLD BANK PROJECT APPROVED BY BOARD OF DIRECTORS:
March 18, 2025 (FY25)

MATCHING FUNDS:
Costs of financial instrument(s): US$13 M (IDA and/or investment income from CRF) for insurance provided value for money can be demonstrated.

Capitalization:	US$10 M (IDA)

WORLD BANK PROJECT:
Resilient and Accessible Microfinance (P181037)

WORLD BANK PROJECT LENDING AMOUNT:
US$102M (IDA)

ANALYTICS, PRODUCTS, AND REFORMS SUPPORTED IN CONJUNCTION WITH THIS PROJECT:

Risk Analytic: MF portfolio dataset (completed, Jun 2025)

Risk Analytic: Risk Model (completed, Jun 2025)

Risk Analytic: financial sustainability modeling of the CRF (under design, TBD)

Risk Analytic: risk model for drought or heat (planned, TBD)

Technical Report: evaluation of area yield index insurance program in Punjab (ongoing, Dec. 2025)

RWANDA:
Using a new credit window to provide bridge loans to MSMEs dealing with climate shocks

Background:
Even before the onset of the COVID-19 pandemic, Rwandan MSMEs, including agribusinesses, were dealing with limited access to credit and the consequences of climate change and disaster-related risks, including variable crop yields, damaged physical assets, and reduced labor productivity. A US$150 million World Bank loan aims to increase access to finance and support the recovery and resilience of businesses affected by the COVID-19 pandemic.

Financial solution: Develop two new multiperil financial instruments that can facilitate short-term financing for MSMEs during crises, including a bridge lending window to complement the credit guarantee scheme and an insurance product that serves as a backstop.

The GSFF grant will provide US$3.5 million to partially capitalize a US$7 million bridge lending window that complements an existing partial credit guarantee program. The bridge loans will give MSMEs short-term financing and be facilitated by the state-owned Business Development Fund (BDF) through participating financial institutions.

An additional US$1.5 million from GSFF will cover the premium payments for an insurance product that serves as a backstop to the bridge lending window, meaning that payments from the insurance product will replenish and provide additional capital to the bridge lending window in the event that a severe climate shock creates demand for loans beyond the bridge lending window's existing capacity.

The remaining US$3.5 million is designated for activities that enhance Rwanda's technical capacity to develop and manage CDRFI instruments.

Key highlights:

Global Risk Financing Facility

- **A US$8.5 million grant from GSFF is supporting the development of two new financial instruments that will increase the resilience of agribusinesses in Rwanda.**
- **A US$7 million bridge lending window that provides short-term liquidity support to MSMEs is expected to be operational in October 2025, and an insurance product that serves as a backstop to the window is expected in March 2026. Both instruments are estimated to have sufficient capacity to protect 5,000 MSMEs, though coverage may be expanded to consider a broader range of risks.**

Progress made during previous fiscal years:
The BDF, which will manage the bridge lending window, conducted a market survey in FY22 to understand the requirements of private financial institutions. In FY23, the project team completed the official policies and procedures manual that will govern the use of the two new instruments. In FY24, the bridge lending window's design was completed, and the BDF Board approved the policy manual for the product—the final step required before the World Bank can disburse funds for establishing both instruments.

Updates for FY25:
The DRF diagnostic was completed in March 2025 and will be disseminated in September 2025. BDF, the government implementing agency, has hired a specialist to finalize the trigger design for the bridge lending window and insurance backstop solution, and

to provide relevant training. These steps were necessary to supplement limited local technical capacity, but they have delayed the bridge lending window's launch. The task team is exploring the possibility of expanding the bridge lending window's coverage to include business interruption caused by land use planning and to make loans not backed by the partial credit guarantee eligible for the bridge lending window on the condition that the loans are offered by a participating financial institution.

Expected deliverables for FY26:

- Provide extensive training and capacity building to the BDF and participating financial institutions prior to launch of the pilot.
- Launch the bridge lending window (October 2025).
- Place the risk transfer instrument (March 2026).

GSFF GRANT ENDORSED BY STEERING COMMITTEE:

April 13, 2021 (FY21)

EXPECTED CLOSING DATE:

August 31, 2028 (FY29)

AMOUNT AWARDED: US$8.5 M

Of which:

Technical assistance:	US$1 M
Start-up and operating costs for risk-financing vehicle:	US$2.5 M
Costs of financial instruments (including premiums):	US$1.5 M
Capitalization:	US$3.5 M

GENDER HIGHLIGHTS:

Gender is accounted for in the implementing agency's corporate strategy. The project has specific gender targets, including increasing the number of women-managed firms that are covered by the portfolio guarantee from 35 percent to 50 percent.

DISASTER RISK FINANCE INSTRUMENT(S) SUPPORTED:

1. Bridge lending window to complement an existing partial credit guarantee scheme (under design, Oct 2025)
2. Meso-level backstop insurance product (under design, Mar. 2026)

RELATED WORLD BANK PROJECT APPROVED BY BOARD OF DIRECTORS:

Approved June 14, 2021 (FY21)

MATCHING FUNDS:

US$3.5 M from IDA for capitalization of the bridge lending window

US$1.5 M from IDA for insurance premium copayment

WORLD BANK PROJECT:

Access to Finance for Recovery and Resilience Project (P175273)

WORLD BANK PROJECT LENDING AMOUNT:

US$150M (IDA)

ANALYTICS, PRODUCTS, AND REFORMS SUPPORTED IN CONJUNCTION WITH THIS PROJECT:

Risk analytics:

- DRF diagnostic (completed, Mar. 2025)
- Value for money (under design, Sep. 2025)

Policy/legislation/reforms:

- Policy manual for bridge lending window (adopted FY2024)
- Policy manual for risk insurance (under design, 2026)

SIERRA LEONE:

Scaling up a safety net to withstand multiple crises and pave the way for other adaptive social protection programs

Background:
Sierra Leone's flagship cash transfer program, Ep Fet Po, serves as a reliable safety net. Established with support from the World Bank and other development partners in 2014, it has enabled the country to more efficiently allocate emergency cash transfers originating from different financing sources. During the Ebola outbreak in 2015, the government scaled up the safety net to provide households with emergency assistance. When there is no emergency, the safety net provides regular cash transfers to vulnerable households.

Financial solution: Expand the coverage and functionality of the country's social protection system so that it can be scaled up using a World Bank contingent finance mechanism.

Objectives and progress made under the first grant (FY20–FY23):
In FY20, GSFF made its first US$2.5 million grant to enhance the trigger and disbursement systems of Ep Fet Po's scalable mechanism. These improvements made it possible to use a World Bank mechanism, the CERC, to reallocate US$4 million in World Bank project funds as a line of credit for emergency response. These funds were disbursed as emergency payments to

Key highlights:

Global Risk Financing Facility | ASP

- **Sierra Leone has received two GSFF grants totaling US$5.5 million. The first grant enhanced the trigger and disbursement systems of Sierra Leone's social safety net and supported the country's DRF strategy. The success of these interventions enabled the government to scale up its flagship cash transfer program during emergencies.**

- **Since 2020, Sierra Leone has accessed the equivalent of approximately US$15.2 million in financing that was mobilized ahead of disasters. The government was able to distribute these resources as emergency cash transfers during the COVID-19 pandemic and in response to fuel and food price shocks.[1]**

- **The second grant supports updating the DRF strategy, institutionalizing standard operating procedures for funding emergency response, and piloting a digital public works program. The pilot, currently underway, will hire up to 2,000 youths to collect data in disaster-prone urban areas with the aim of integrating urban households into the social protection registry for response to future shocks.**

- **Based on its success using CDRFI, Sierra Leone has leveraged other funding sources to place a US$80 million CAT DDO and is planning to set up a disaster contingency fund, in accordance with the county's DRF strategy.**

- **Sierra Leone was the first country to use GSFF funding to test how CDRFI can be used to build an ASP system.**

1 The first emergency cash transfer leveraged the US$4 million CERC set up through the initial World Bank project (Sierra Leone Social Safety Net Project–Second Additional Financing, P143588). The second emergency cash transfer leveraged €4.7 million from the European Union. The third emergency cash transfer used US$6.1 million of IDA funds, leveraging the US$4 million CERC tied to the second World Bank project (Productive Social Safety Nets and Youth Employment, P176789) and an additional US$2.1 million in IDA funds.

29,000 households. Approximately €4.7 million from the European Union reached an additional 36,000 households using the improved disbursement systems. (This first grant closed at the end of FY23.)

Objectives and progress made under the second grant (FY23–FY24):

Based on Sierra Leone's initial success in scaling up Ep Fet Po, GSFF approved a second US$3 million grant in FY23; this was linked to a new World Bank project focused on urban youth employment, and some of the project's funds were designated as possible CERC funds, if needed. Shortly thereafter, food and fuel price shocks once again triggered the CERC, allowing Sierra Leone to access US$6.1 million and to distribute this sum as emergency cash transfers to 35,000 households. An update to the emergency response manual, developed with GSFF support under the predecessor project, guided the successful delivery of this latest round of emergency cash transfers.

The remaining funds from the GSFF grant are being used to strengthen the overall CDRFI landscape in Sierra Leone. With GSFF support, the Cabinet approved a new disaster risk financing strategy in FY23. In FY24, the government also expanded its beneficiary registry to more than 250,000 households, better capturing people with disabilities, people living in disaster-prone areas, households with aged members, and households that qualify as extremely poor.

The grant is financing the pilot of an innovative digital public works program that will hire approximately 2,000 youths to collect data in disaster-prone urban areas. The data will fill critical information gaps and improve the government's response to future shocks.

Updates for FY25:

- More than 700 youths were employed to track the more than 1 million trees planted in the Freetown area through the digital public works program. The city of Freetown is trying to translate the trees planted into credible carbon credits that can attract investment, deliver co-benefits, and support vulnerable communities.
- Despite a challenging macro-fiscal environment, the project successfully built momentum for institutional CDRFI reforms through capacity-building initiatives. Technical workshops included sessions on using CAT DDOs, parametric insurance, and reserve funds. A field visit to Malawi allowed delegates from Sierra Leone to observe that country's layered CDRFI approach firsthand, including social protection program sites where women-headed households were among the key beneficiaries of shock-responsive transfers triggered by the 2024 El Niño drought. These workshops and study visits contributed to the government's interest in pursuing a CAT DDO with the World Bank, and this instrument was finalized in December 2024.
- A completed benchmarking exercise will serve as the evidence base for designing a new contingency fund next fiscal year.

Expected deliverables for FY26:

- Continue to implement the Disaster Risk Data Mapping subproject in Freetown, which will inform crisis response in future disasters. Further subprojects on heat mapping and disaster risk mapping are expected to take off in FY26.
- Work with the Ministry of Finance to set up a disaster contingency fund.
- Support creation of the Disaster Risk Data Platform to facilitate mobilization of financing during future disasters.

GSFF GRANT ENDORSED BY STEERING COMMITTEE:

June 6, 2019 (FY20) (P143588)
August 4, 2022 (FY23) (P176789)

EXPECTED CLOSING DATE:

June 30, 2023 (FY23)
June 30, 2027 (FY27)

RELATED WORLD BANK PROJECT APPROVED BY BOARD OF DIRECTORS:

Additional Financing Approved December 17, 2020 (FY21)
Sierra Leone Safety Nets Project

March 8, 2022 (FY22)
Productive Social Safety Nets and Youth Employment

SIERRA LEONE

AMOUNT AWARDED: US$2.5 M (FY20)
US$3 M (FY23)

Of which:

Technical assistance:	US$2.5 M
Systems building:	US$3 M

MATCHING FUNDS FOR CAPITALIZATION OF FINANCIAL INSTRUMENT(S):

US$4 M (IDA) (FY20)[a]

US$4 M (IDA) (FY23)[b]

GENDER HIGHLIGHTS:

The pre-listing and targeting process for emergency cash transfers sought to ensure that women were not excluded from the program. As a result, 71 percent of the households benefiting from the first round of transfers were registered under a female household member (who is often, but not always, the head of household).

Evaluations of the emergency cash transfers made during COVID-19 found that these interventions enabled businesswomen to use the extra funds to increase their businesses' profitability.

In 2022, the government adopted the National Social Protection Strategy (NSPS) with the goal of establishing a gender-sensitive and age-appropriate framework for the protection of the most poor and vulnerable. The new Disaster Risk Finance Strategy will support the implementation of the NSPS. Further, the innovative public works will target at least 50 percent of female youth for short-term employment opportunities and life-skills training.

WORLD BANK PROJECT:

Sierra Leone Safety Nets Project (P143588)

Productive Social Safety Nets and Youth Employment (P176789)

WORLD BANK PROJECT LENDING AMOUNT:

P143588: US$87 M (IDA)

P176789: US$40 M (IDA)

ANALYTICS, PRODUCTS, AND REFORMS SUPPORTED IN CONJUNCTION WITH THIS PROJECT:

Policy/legislation/reforms:

- Disaster Risk Financing Strategy (adopted, March 2024)
- National Social Protection Bill (drafted 2024); World Bank is now supporting activities related to the adoption of the bill
- SOPs for contingency fund (planned, 2026)

Product:

- Digital public works pilot (under implementation, 2025)

DISASTER RISK FINANCE INSTRUMENT(S) SUPPORTED:

Shock-responsive mechanism for social safety net program leveraging contingent credit (CERC)

a. The US$4 million CERC was used in FY22 to provide emergency cash transfers during the COVID-19 crisis.

b. The US$4 million that was set aside for the CERC as part of P176789 was used in FY23 to respond to the fuel and price crisis. The project was able to repurpose an additional US$2.1 million in IDA funds and distributed a total of US$6.1 million in emergency cash transfers.

UGANDA:

Putting in place financing in anticipation of climate shocks to scale up a public works safety net program

Background:
The World Bank has supported Uganda's social protection sector since 2002 through three rounds of financing to the flagship Northern Uganda Social Action Fund (NUSAF), one of the largest safety net programs in the country. IDA resources of US$250 million will build on NUSAF's earlier progress and will include, among other components, a public works safety net that pays eligible participants a seasonal wage for completing labor-intensive jobs on projects that increase their community's physical resilience to climate change. The public works interventions will be located primarily in districts that have high drought and flood risks. CDRFI is therefore critical to ensuring the success of this safety net scheme.

Financial solution: Use disaster risk finance to make the public works cash transfer program shock-responsive (i.e., scalable in the event of a drought or flood). Funds mobilized ahead of disasters will enable emergency cash transfers when there are moderate climate events. A sovereign risk transfer instrument will cover the cost of larger scale-ups for more severe events.

A US$20 million GSFF grant will make the public works safety net scalable so that when a climate shock occurs, the government can support more people who have been identified as vulnerable. Half of the grant will be used to capitalize a US$25 million contingent financing instrument for the safety net. Linking the instrument to the national disaster risk finance strategy under the Ministry of Finance, Planning and Economic Development will aid the government in making future budgetary allocations to it and promote its long-term sustainability.

The grant also provides US$3 million in premium subsidies for a sovereign risk transfer instrument that can replenish the funding facility in the event of a catastrophic drought or flood. The sovereign risk transfer instrument could provide

Key highlights:

- **A US$20 million GSFF grant is supporting two new CDRFI instruments that will allow Uganda's flagship public works safety net program to cover more people when there are droughts or floods. Financing in the amount of US$25 million will be arranged in advance of moderate events,[1] and a macro/sovereign risk transfer instrument will provide additional coverage for catastrophic events.**
- **In FY25, the GSFF grant supported the completion of a new national disaster risk finance strategy. The strategy is currently under government review and will likely be adopted in the first half of FY26.**
- **World Bank lending to Uganda was paused in August 2023 and resumed in May 2025, including the Board of Directors' approval of the project related to this GSFF grant.**

1 Uganda has an existing national contingency fund managed by the Treasury, which disburses after emergencies; it is separate from the funding facility that will be supported by GSFF.

an estimated US$23–35 million in coverage, though its placement will proceed only after the government completes and adopts the disaster risk finance strategy. Together, the two instruments are estimated to cover emergency payments to 1.4 million people. The grant also funds implementation infrastructure, systems and expertise, trigger design, institutional and governance processes, and critical capacity building to develop and implement the instruments.

Progress made during previous fiscal years:

The GSFF grant was approved at the end of FY23 and, as noted above, a subsequent pause in World Bank lending to Uganda followed. During the pause, the technical committee responsible for implementing CDRFI instruments in the country received training, including training on the World Bank's Crisis Preparedness and Response Toolkit. A knowledge exchange with Algeria, Jamaica, Kenya, Malawi, and Morocco addressed how to successfully implement DRF strategies. Design of the trigger for drought as well as a flood risk analysis progressed.

Updates for FY25:

The national DRF strategy was completed and, pending final review by relevant government authorities, is expected to be adopted in the latter half of 2025.

Expected deliverables for FY26:

- Pilot the flood trigger mechanism in at least seven districts.
- Train officials on how to scale up labor-intensive public works in the 21 districts that are covered for drought and in at least seven districts covered for flood.
- Procure a sovereign/macro insurance product for the contingency fund.

UGANDA

GSFF GRANT ENDORSED BY STEERING COMMITTEE:

February 15, 2023 (FY23)

EXPECTED CLOSING DATE:

December 31, 2031 (FY32)

AMOUNT ENDORSED: US$20 M

Of which:

Technical assistance:	US$3 M
Start-up and operating costs for risk-financing vehicle:	US$1.5 M
Costs of financial instruments (including premiums):	US$3 M
Capitalization:	US$10 M
Costs for implementation/ system building:	US$2.5 M

GENDER HIGHLIGHTS:

The disaster risk finance strategy development highlights the gendered impacts of disasters. The implementation strategy, both at the beneficiary level and institutional level, will ensure gender responsiveness.

DISASTER RISK FINANCE INSTRUMENT(S) SUPPORTED:

1. Contingent financing instrument (under design, 2025)
2. Sovereign risk transfer instrument (planned, TBD)

RELATED WORLD BANK PROJECT APPROVED BY BOARD OF DIRECTORS:

April 1, 2025 (FY25)

MATCHING FUNDS:

Costs of financial instrument(s):	US$3 M (IDA)
Capitalization:	US$15 M (IDA)

WORLD BANK PROJECT:

Northern Uganda Social Action Fund IV (P179904)

WORLD BANK PROJECT LENDING AMOUNT:

US$250 M (IDA)

ANALYTICS, PRODUCTS, AND REFORMS SUPPORTED IN CONJUNCTION WITH THIS PROJECT:

DRF Strategy: Disaster Risk Finance Strategy (under review, Sep 2025)

Risk Analytic: Validation of drought trigger thresholds (Under design, Mar 2026)

Risk Analytic: Validation of government's flood forecast model and EWS - live testing (completed, July 2024)

Technical Report: Impact evaluation study to assess the welfare benefits of shock responsive LIPW subcomponent (Planned, Jun 2026)

Technical Report: Feasibility assessment of sovereign parametric insurance to provide more funds in the event of a severe or catastrophic drought or flood (Under design, Nov. 2025)

Technical Report: Operational Procedural Manual (Under design, Dec 2025)

Technical Report: DRF Handbook (under review, Oct. 2025)

ANNEX 3.
REGIONAL PROJECTS

All information provided in this annex is as of June 30, 2025.

DRIVE:

Building resilience against drought for millions of pastoralists and their dependents in the Horn of Africa

Background:

Severe droughts exacerbate poverty and conflict in the Horn of Africa, particularly for pastoralists, who are among the poorest groups in the region and among those most affected by climate change. To better protect the livelihoods of pastoralists in Djibouti, Ethiopia, Kenya, and Somalia, the IDA provided US$327.5 million in financing under the DRIVE project.

DRIVE consists of two components: the first increases pastoralists' access to financial services, including index-based livestock insurance, savings, digital accounts, and financial literacy. The second mobilizes private investment, fosters regional livestock trade, and enhances market linkages. The project promotes gender inclusion by increasing female pastoralists' access to bank accounts and insurance products. DRIVE increases the financial resilience of an especially vulnerable population and reduces tensions among communities in the region by reducing the number of pastoralists who are forced to cross borders in search of improved economic prospects.

Key highlights:

Global Risk Financing Facility

- **A US$30 million GSFF grant cofinances a US$327.5 million World Bank project that supports pastoralists in four countries whose livelihoods are threatened by drought.**

- **A financial services package in Ethiopia, Kenya, and Somalia allows pastoralists to manage different levels of risks: payouts from index-based livestock insurance protect against severe drought, while savings that were financially incentivized by the project are used when there is moderate drought.**

- **Since the insurance was first placed in FY23, it has paid out close to US$7.8 million and has covered over 3.6 million pastoralists and their dependents. This coverage already exceeds the project's target by 200 percent.**

- **Part of the grant also supports a platform that provides regional-level wholesale risk infrastructure services to enable the development of additional products and participation of private sector players.**

- **A multi-year macro/sovereign insurance product placed in Djibouti through ARC Ltd. provides US$2.3 million in coverage yearly against flood and drought through 2027. In October 2023, the product was triggered, resulting in a payout of US$231,130.**

ETHIOPIA, KENYA, SOMALIA

Financial solution: Create a financial services package that helps pastoralists layer their risks by using index-based livestock insurance, savings, and payment accounts. Establish a regional platform for implementing a package of financial services across countries.

The package is designed to layer risk instruments, meaning that various financial services address risks of different frequencies and intensities that pastoralists face due to climatic shocks and other hardships. The package includes index-based livestock insurance that protects against severe drought events. It also includes financial incentives that encourage pastoralists to open and consistently contribute to a savings account, since savings allow pastoralists to keep their livestock alive during a moderate drought (replacing livestock that die is estimated to cost three times more). Through financial inclusion and capacity building, the project supports pastoralists in managing their day-to-day challenges.

Part of the GSFF grant supplies the financial resources that allow ZEP-RE (PTA Reinsurance Company)[3] to provide regional-level wholesale risk infrastructure services, including beneficiary database management, insurance product design, calculation agent services, reinsurance arrangements, payout management systems, financial literacy resources for beneficiaries, and more.

Financial services package

Progress made in previous fiscal years:

Within just nine months of the project launch, 170,000 pastoralist households signed up for the livestock microinsurance and became eligible for bonus payments for registering their mobile banking savings accounts with the DRIVE platform. The insurance has triggered regularly in Kenya and Ethiopia, but not in Somalia, prompting a review of the product to assess the accuracy of the parametric trigger (Table A1.1.). While the review was ongoing, project implementation focused on policy renewals.

Through targeted education and marketing efforts, the financial package has begun to narrow the region's financial inclusion gender gap; between 45 percent and 60 percent of the participating households in each country are headed by women. The drought insurance product leveraged more than US$100 million in capital from the international reinsurance market, thus increasing private sector investment in an overlooked region and strengthening the project's long-term sustainability. A graduated premium support strategy, wherein pastoralists incrementally contribute more for their coverage as their financial security improves, has further ensured the project's lasting viability.

TABLE A1.1. PAYOUTS FROM THE LIVESTOCK MICROINSURANCE PRODUCT, FY23–FY25

Fiscal year	Coverage period	Total payout (US$)			Beneficiaries receiving payout (no. of people)		
		Kenya	Ethiopia	Somalia	Kenya	Ethiopia	Somalia
FY23	OND 2022	2,126,243	0	0	107,706	0	0
	MAMJ 2023	2,870,474	854,717	0	455,834	97,395	0
FY24	OND 2023	111,063	458,495	0	64,390	34,138	0
	MAMJ 2024	0	0	0	0	0	0
FY25	OND 2024	44,037	697,929	413,211	13,843	48,576	18,400
	MAMJ 2025	101,207	164,584	0	8,205	8,230	0
	Total	5,253,024	2,175,725	413,211	649,978	188,339	18,400

Source: World Bank. Note: Insurance coverage is seasonal, with each annual policy covering the March–June season (MAMJ) and the October–December season (OND).

1 ZEP-RE (PTA Reinsurance Company), a specialized institution within the Common Market of Eastern Africa (COMESA), operates as an African multilateral insurance institution with a developmental mandate.

Updates for FY25:
Since the insurance was first placed, it has covered over 3.6 million pastoralists and their dependents, surpassing the project's initial target of covering 1.6 million people.

In Kenya, a drought index insurance product has been developed for 21 arid and semi-arid counties. The government is actively investing in efforts to organize participating pastoralists into larger cooperatives. To ensure that pastoralists have disposable income and to enhance their ability to purchase insurance, the government plans to support these cooperatives in pursuing commercially viable livestock-related investments.

In Ethiopia, the government is interested in increasing the numbers of pastoralists covered under DRIVE and has committed to allocating part of its budget for the package of financial services, including the index-based livestock insurance.

In Somalia, the government has adopted the Financial Institutions Bill and the National Takaful Bill. Along with the rollout of the DRIVE index-based livestock insurance product, these steps toward strengthening the regulatory environment are critical for developing domestic financial markets and attracting private sector participation.

Regional platform

Progress made in previous fiscal years: ZEP-RE developed a digital platform to register pastoralists and allow them to manage their financial services package. In FY24, the platform went live in Kenya.

Updates for FY25:
The digital platform is now also operational in Ethiopia and Somalia, though levels of functionality and rates of adoption vary across the three countries. The platform is most developed in Kenya, where pastoralists can complete their onboarding process and pay premiums.

ZEP-RE has improved its operations, reducing the amount of time it takes to make payouts and release seasonal performance reports. For the October–November 2024 season, the payouts were released five days after they were announced. ZEP-RE's ongoing efforts to develop the financial services package and establish partnerships with private sector distributors contributed to the significant increase in pastoralists covered. As a result of this increase, ZEP-RE expects to deplete its GSFF grant and IDA project funds by next year. Its funding is currently under review; additional funding would enable DRIVE to continue expanding its coverage.

DJIBOUTI

Financial solution: Design and place a macro/sovereign insurance product against flood and drought to better protect pastoralists.

The GSFF grant cofinances another intervention within DRIVE's first component: it covers half of the premium for a macro/sovereign insurance policy against drought and flood. The policy is active through 2027 and is renewed automatically each year, with an option for the government to adjust parameters as it wishes.

Progress made during previous fiscal years:
Within five months of the grant award in FY22, the government designed and placed a macro/sovereign insurance policy with the regional risk pool ARC Ltd. This policy provides about US$2 million in coverage per year against flood and drought. Notably, the policy marks Africa's first macro/sovereign multiperil, multiyear climate insurance initiative. The World Bank, in collaboration with the private sector's technical design team, played a critical role in the quick delivery of this product.

2 IDA funds cover the other half of the premium payments.

In October 2023, ARC Ltd. announced that moderate drought triggered the macro/ sovereign product and resulted in a payout of US$231,130. Because of institutional bottlenecks, however, the national bank account allowing ARC Ltd. to disburse the payout had not been opened by the government. As a result, the payout was delayed by five months. ARC Ltd. has worked with the government to finalize Djibouti's national contingency plan, which should expedite future payouts. The DRIVE team will closely monitor relief activities funded by the payout and follow up with ARC on recommended updates to the contingency plan. The team is using GSFF funding to develop a digital platform that will allow the government to anticipate potential payouts and provide capacity-building activities. The team also worked closely with the African Development Bank (AfDB), which is providing funding through the Africa Disaster Risk Financing Programme, to develop a national DRF strategy and an impact evaluation for the insurance product (see below).

Updates for FY25:

The macro/sovereign product remains in place, and a review of it will be completed in FY26. The government has requested an update of the 2019 index insurance feasibility study in light of the success of the other countries participating in DRIVE. The original study highlighted several challenges, including a lack of digital payment systems and lack of interest from local insurance providers.

IMPACT EVALUATION, ACTIVE RESEARCH, AND MID-TERM REVIEW

A four-year quasi-experimental evaluation is underway in Ethiopia and Kenya, marking the first of its kind for a large-scale risk finance project funded by the World Bank. Led by Utrecht University, the evaluation team includes researchers from six universities and three research institutions who have deep expertise in working with nomadic pastoral communities. The evaluation is largely funded by the United States Agency for International Development (USAID), but GSFF funds enable ZEP-RE, government, and World Bank staff to participate. Challenges sharing data among different stakeholders have been resolved through a comprehensive data-sharing agreement, and results will be published in 2025.

The evaluation has two main components:

- An impact evaluation to assess the impact of DRIVE's Component 1 (increasing pastoralists' access to financial services) on households and communities. The baseline survey (January–March 2024) and first midline survey (November 2024–January 2025) are complete and results are forthcoming.
- Active research to better understand key bottlenecks and improve implementation of DRIVE's Component 1. This research is undertaken through interventions. The first looked at how to improve consumers' knowledge and found that videos in local languages increased consumers' knowledge of DRIVE products and procedures by 62 percent. The second intervention tested how to improve incentives of sales agents, and the results are forthcoming.

A mid-term review of the project conducted in FY25 assessed project implementation and World Bank support to government partners. Based on the review, technical adjustments are likely to be made to the design of financial instruments in FY26.

A workshop with pastoralists and government focal points synthesized results from both the impact evaluation and the mid-term review to determine interventions that would increase policy renewals and improve knowledge of the insurance product among pastoral communities. Informational videos in local languages were tested during the March–June 2025 season.

Expected deliverables for FY26:

- **Expand DRIVE to additional countries.** Expanding the project to additional countries would generate economies of scale by adapting existing implementation models to comparable contexts. It would also enhance risk diversification within the insurance pool, thereby strengthening the overall financial sustainability of the project.
- **Technical review of insurance product performance.** Reviewing the structure of the existing drought index will improve its performance in specific geographies where the product needs to be more sensitive.
- **Develop new financial resilience products.** The project's close engagement with livestock value chain stakeholders provides opportunities for financial product expansion. This fiscal year, the GSFF Steering Committee endorsed a US$12 million GSFF grant in Somalia that would expand the financial protection pastoralists receive through DRIVE, including a possible new contingent credit instrument targeted at milk cooperatives. Award of the grant is pending approval of the associated World Bank project.

GSFF GRANT ENDORSED BY STEERING COMMITTEE:
January 24, 2022 (FY22)

EXPECTED CLOSING DATE:
September 30, 2027 (FY28)

RELATED WORLD BANK PROJECT APPROVED BY BOARD OF DIRECTORS:
Approved June 21, 2022 (FY22)

AMOUNT AWARDED:	US$30 M
Of which:	
Technical assistance:	US$2 M
Start-up and operating costs for risk-financing vehicle:	US$2 M
Costs of financial instruments (including premiums):	US$13 M
Implementation and systems building:	US$13 M

MATCHING FUNDS FOR CAPITALIZATION OF FINANCIAL INSTRUMENT(S):
US$91 M (IDA)

WORLD BANK PROJECT:
De-risking, Inclusion, and Value Enhancement of Pastoral Economies in the Horn of Africa
(P176517)

GENDER HIGHLIGHTS:

Several project interventions lower the barriers women face using financial services and have facilitated an increase in formal savings accounts among women.

Marketing and education surrounding financial services have been tailored to women and leverage the influence of female community leaders in villages. Activities that heighten awareness about gender considerations target both pastoralists and financial service providers. Approximately 59 percent of participating pastoralists are women. For further details on DRIVE's gender-related interventions, see "De-risking, Inclusion, and Value Enhancement of Pastoral Economies in the Horn of Africa (DRIVE): Integrating a Gender Equality Lens."

WORLD BANK PROJECT LENDING AMOUNT:

US$327.5 M (IDA)

ANALYTICS, PRODUCTS, AND REFORMS SUPPORTED IN CONJUNCTION WITH THIS PROJECT:

Risk analytics:

- Review of drought indexes (completed 2024)
- Djibouti digital platform monitor index (planned, TBD)

Technical report:

- Impact Evaluation (in progress)

Policy/legislation/reforms:

- Regulatory framework for Ethiopia (planned, TBD)

DISASTER RISK FINANCE INSTRUMENT(S) SUPPORTED:

1 . Kenya, Somalia, Ethiopia: Micro risk insurance (index-based livestock insurance; sold biannually since 2022)
2. Djibouti: Macro/sovereign risk insurance (placed January 31, 2023–January 31, 2027)

REPAIR:
Allowing countries that join a regional financial protection mechanism in Southern Africa to quickly access emergency funding following tropical cyclones

Background:
The importance of a regional approach to increased financial resilience in Southern Africa is underscored by increasingly frequent and severe cross-border disaster events, such as Tropical Cyclone Freddy, which hit Malawi and Mozambique in 2023. Many countries have recent DRF strategies in place, but additional funding, greater coordination, and operational preparedness are needed to make them truly effective when a disaster occurs. For example, Madagascar, Malawi, and Mozambique have created national disaster funds and have purchased macro/sovereign parametric insurance for droughts and tropical cyclones, but their financial strategies are incomplete and leave large financial protection gaps. Only Mozambique has capitalized its national disaster fund, and it has not invested its reserves. Countries such as Madagascar, Malawi, and Zambia have purchased macro/sovereign parametric insurance and received payouts, but the coverage is typically for only one climatic peril and is not cost-effective. Finally, although some shock-responsive social protection programs have been established, they are rarely linked to financing available to be mobilized for disasters, which is why emergency responses are rarely timely.

Financial solution: **Establish the Regional Climate Risk Fund as a mechanism shared by countries. The fund lowers technical and financial barriers to using CDRFI instruments and lets countries pool resources and knowledge. Participating countries will be able to better layer their financial protection by using instruments that respond to shocks of differing severity and frequency.**

Key highlights:

- A US$30 million GSFF grant supports a new regional climate fund that is eventually expected to include up to 12 countries in Southern Africa. In July 2024, the Board of Directors of the World Bank approved the Regional Emergency Preparedness and Access to Inclusive Recovery (REPAIR) program, which aims to reach US$926 million in total financing in three phases to strengthen the financial and operational preparedness of participating countries against climate-related disasters, such as droughts, cyclones, or floods.

- REPAIR relies on speed, flexibility, and sustainability to bring CDRFI solutions at scale. It equips countries with a set of tailored instruments so that they can quickly respond to disasters of various natures, severities, and frequencies to save lives and livelihoods and then facilitate economic recovery.

- In FY25, as part of the first phase of REPAIR (amounting to US$306 million), Comoros, Madagascar, and Mozambique created a Regional Climate Risk Fund providing reserves and contingent financing in partnership with the regional implementing agency ARC Ltd. Sovereign insurance coverage will be added next fiscal year.

- Both Comoros and Mozambique activated these instruments to provide food, water, medical kits, and emergency shelters to

Three CDRFI instruments are currently supported by REPAIR: (i) a reserve fund for low to moderate recurring shocks (which earns income); (ii) contingent financing for moderate to severe shocks; and (iii) sovereign parametric risk insurance for rare catastrophic shocks. Payouts from the instruments will target vulnerable populations, women, and small firms and will go toward the repair of damaged infrastructure. ARC Ltd. is the implementing agency and plans to raise additional funds from public and private stakeholders to ensure the REPAIR's long-term viability.

populations impacted by two tropical cyclones, Chido in December 2024 and Jude in March 2025.

- **Five additional countries—Angola, Burundi, Malawi, the Seychelles, and Zambia—will join Phase 2 of REPAIR for a total US$400 million in financing.**
- **The project showcases fruitful cooperation among African countries and ARC Ltd., which are joining forces and sharing knowledge and resources to increase regional resilience to natural disasters.**

GSFF funding has supported the regional climate fund's start-up and operating costs and has built countries' capacity to link CDRFI mechanisms with national delivery channels. The World Bank and the African Development Bank are closely coordinating their financial support for insurance premiums to allow participating countries to build financial resilience.

Progress made in previous fiscal years: As part of the project preparation, Comoros, Madagascar, and Mozambique benefited from DRF diagnostics and studies, which helped ensure that their choice of DRF instruments was in line with their specific risk profiles.

Updates for FY25:
The REPAIR project was approved by the World Bank Board of Directors in July 2024. The Regional Climate Risk Fund was created, and all Phase 1 countries have access to reserves, contingent financing, and capacity building from ARC Ltd.

Within months of its establishment, REPAIR was activated in Comoros and Mozambique to provide emergency support to populations affected by Tropical Cyclones Chido and Jude. More than 1 million people were affected by Tropical Cyclone Jude in Mozambique, and payouts through REPAIR covered emergency shelter and three months' worth of food for approximately 20 percent of the impacted families (Table A1.3.). The government has also set aside some funding to pre-position shelter and food for the next cyclone season.

TABLE A1.3. TOTAL COVERAGE PROVIDED AND PAYOUTS DISTRIBUTED THROUGH REPAIR, FY25

Country	Total coverage (reserves + contingent financing)	Payouts triggered in FY25
Comoros	US$9.5 M	US$124,000
Madagascar	US$90 M	NONE
Mozambique	US$60 M	US$16.9 M

Source: World Bank.

Preparatory work with the five Phase 2 countries will ensure that they can quickly access CDRFI instruments through REPAIR once the World Bank Board of Directors has approved the project's next phase (anticipated in July 2025).

In March 2025, delegations from 10 countries, the AfDB, and the AFD as well as private sector stakeholders met to strengthen their partnerships and expand their shared knowledge about CDRFI. The event was a milestone in efforts to address the common challenges raised by natural disasters and climate adaptation in the region.

Expected deliverables for FY26:

- Equip all Phase 1 countries with tailored sovereign parametric insurance products.
- Make financial coverage effective and put in place capacity-building plans for Phase 2 countries (Angola, Burundi, Malawi, the Seychelles, Zambia).
- Prepare Phase 3 countries to join REPAIR (Democratic Republic of Congo, Eswatini, Lesotho, Zimbabwe).

GSFF GRANT ENDORSED BY STEERING COMMITTEE:

January 16, 2024 (FY24)

EXPECTED CLOSING DATE:

REPAIR Phase 1: June 30, 2031 (FY31)

REPAIR Phase 2: Dec 31, 2031 (FY32)

RELATED WORLD BANK PROJECT APPROVED BY BOARD OF DIRECTORS:

Approved July 30, 2024 (FY25)
REPAIR Phase 1

Approved July 23, 2025 (FY26)
REPAIR Phase 2

AMOUNT AWARDED: US$30 M

Of which:

Technical assistance:	US$4 M
Start-up and operating costs for risk-financing vehicle:	US$16 M
Implementation and systems building:	US$10 M

MATCHING FUNDS FOR CAPITALIZATION OF FINANCIAL INSTRUMENT(S):

In total, Comoros, Madagascar and Mozambique have allocated US$15.5 million out of their IDA envelope to insurance premiums.

WORLD BANK PROJECT:

Regional Emergency Preparedness and Access to Inclusive Recovery (REPAIR)
Phase 1 (P181014)

Regional Emergency Preparedness and Access to Inclusive Recovery (REPAIR)
Phase 2 (P508319)

GENDER HIGHLIGHTS:

Comoros, Madagascar, Mozambique, Angola, Burundi, Malawi, the Seychelles, and Zambia have agreed to activities and result indicators that are relevant to women and climate resilience, namely: financial literacy training to 3,600 women, financial training to 1,600 women-led MSMEs, and 8 national gender-informed emergency response plans.

Pilot financial literacy training scheduled for fall 2025 in Madagascar and may then be scaled up.

REPAIR delivers specific operational capacity building to delivery channels to help them provide timely support to impacted populations, with specific attention to women.

DISASTER RISK FINANCE INSTRUMENT(S) SUPPORTED:

A regional climate risk fund that will offer:

1. Reserves (which earn income) (active for phase 1 countries as of Oct 2024 and Mar 2025).
2. A contingent financing product (active for phase 1 countries as of Oct 2024 and Mar 2025)
3. Parametric insurance products (under design for phase 1 countries, expected Oct. 2025)

Phase 2 countries are preparing to establish a reserve instrument and set up contingent financing.

WORLD BANK PROJECT LENDING AMOUNT:

REPAIR Phase 1: US$280M (IDA), US$26M (TF)

REPAIR Phase 2: US$159.3M (IBRD), US$240M (IDA), US$0.7M (TF)

ANALYTICS, PRODUCTS, AND REFORMS SUPPORTED IN CONJUNCTION WITH THIS PROJECT:

Policy/legislation/reforms:

- DRF Diagnostic Burundi (approved in Jun 2025)
- Reserves investment policy (completed Aug 2024)

Technical document:

- Gender-informed response plans (planned, 2025)
- Stakeholder engagement plan (to be updated, 2025)

Risk analytics:

- Analytical tool on layering risk finance instruments (completed May 2024)

Training/Workshops:

- ARC Workshop (completed, Mar 2024)
- Induction workshops for Phase 1 countries (completed, Dec 2024)

WEST AFRICA:
Securing finance in advance of shocks for a regional mechanism to improve food security in seven countries

Background:
West African countries are leveraging their regional institutions to address persistent food insecurity. With US$347.3 million in support from World Bank IDA financing, the West and Central Africa Council for Agriculture Research and Development, along with the Permanent Interstate Committee for Drought Control in the Sahel, are taking the lead to increase agricultural productivity through climate-smart agriculture, strengthen intraregional value chains, and build regional capacity to manage agricultural risk. The World Bank project's first phase covered Burkina Faso, Mali, Niger, and Togo; the second phase expanded to include Chad, Ghana, and Sierra Leone. Most recently, the third phase expanded to include Senegal.

Financial solution: Develop and put in place a risk financing product whose payouts would go into ECOWAS's Regional Food Security Reserve (RFSR), which provides food aid or financial resources to member states.

The RFSR is designed to consolidate food insecurity risks across the region, making shared resources available when national and local systems are overwhelmed. With GSFF financing, the team is aiming to design and implement a risk financing product that would provide payouts to the RFSR during severe food insecurity events in member states, reinforcing its capacity when significant outflows threaten its core mission. At present, the decision regarding a feasible financial solution for RFSR is pending.

Progress made in previous fiscal years:
In FY24, agriculture risk assessment reports for Togo and Sierra Leone were completed. The project's technical implementation unit launched a feasibility study to develop a risk financing product—a backstop mechanism for the RFSR—in the form of a parametric insurance as a fourth layer of protection against food insecurity risks. A consulting firm completed the first of three reports for a feasibility study on the risk finance instrument for the ECOWAS RFSR, specifically a holistic risk assessment, market review, and stakeholder consultation.

Updates for FY25:
- The consulting firm completed the final two reports of the feasibility study. Launched in 2024, the feasibility study was divided in three interconnected technical reports. Report 1 established the study's basis by presenting an

Key highlights:

- **A US$25 million GSFF grant is supporting West African regional stakeholders to develop a risk financing product that can provide additional capital during emergencies for an established food security mechanism.**
- **The grant has funded crucial technical assistance, which will guide the choice of which financial solution may be viable for this project.**

in-depth risk assessment. This analysis served as a starting point for considering the development of a financial backstop to enhance the RFSR's ability to address major food security crises in the ECOWAS region. Report 2 expanded on the technical findings of the first report by examining how the selected indices (Standardized Precipitation Index [SPI-3] and Cadre Harmonisé [CH]) could be used to design a risk transfer instrument for the RFSR. Report 3 broadened the analysis to include all seventeen ECOWAS member states, going beyond the pilot countries assessed in the initial report. It reviewed historical data for the SPI-3 and CH indices from 1994 to 2024 and generated forecasts through 2100. This extensive review facilitated the creation of national risk profiles to inform disaster risk financing for the RFSR. The long-term projections are especially important, as they consider how climate change could affect food security across West Africa in the future.

- The analytical foundation for the food security risk model will be based on one developed by the World Bank and Milliman, Aon Securities, Munich Re, and Swiss Re, with contributions from Famine Action Mechanism (FAM) and 13 private sector partners.

Expected deliverables for FY26:

- Develop a robust, rules-based mechanism for the activation of the RFSR's financial component, one that is harmonized with the requirements of ECOWAS member countries and other potentially complementary instruments, such as the crisis response window.
- Determine a way forward regarding the financial solution based on the feasibility study.
- Complete a food security study.

GSFF GRANT ENDORSED BY STEERING COMMITTEE:

June 14, 2022 (FY 21)

EXPECTED CLOSING DATE:

May 31, 2027 (FY 28)

AMOUNT AWARDED:	US$25 M
Of which:	
Technical assistance:	US$2 M
Start-up and operating costs for risk-financing vehicle:	US$3 M
Costs of financial instruments (including premiums):	US$20 M

GENDER HIGHLIGHTS:

Gender dimensions will not be captured in this project which deals with funding for the regional reserve upon triggered events.

RELATED WORLD BANK PROJECT APPROVED BY BOARD OF DIRECTORS:

August 11, 2023 (FY24)

MATCHING FUNDS FOR CAPITALIZATION OF FINANCIAL INSTRUMENT(S):

US$20 M (IDA)

WORLD BANK PROJECT:

West Africa Food System Resilience Program (FSRP)

(P172769)

WORLD BANK PROJECT LENDING AMOUNT:

US$330M (IDA)

DISASTER RISK FINANCE INSTRUMENT(S) SUPPORTED:

TBD

ANALYTICS, PRODUCTS, AND REFORMS SUPPORTED IN CONJUNCTION WITH THIS PROJECT:

Risk Analytic: Risk Model (planned, TBD)

Technical Report: Feasibility assessment for instrument selection (Completed, Jun 2025)

Technical Report: Historical risk profiles and analytical approach to future index estimation (Completed, Jun 2025)

Technical Report: Agriculture Risk Assessment Reports (ASRAs) for Togo and Sierra Leone (Completed, 2025)

Technical Report: Agriculture Risk Assessment Reports (ASRAs) for Senegal and Chad using IFAD's PARM Methodology (under design, 2026)

ANNEX 4. GSFF RESULTS FRAMEWORK

#	INDICATOR NAME	FY25	DETAILS
Result Countries access inclusive, affordable financial instruments needed to layer and manage their risks (**Long-term change 1**)			
1	Total number of financial instruments providing coverage in FY (disaggregated by protection priority)	22	People/farmers/pastoralists: (n=7): Ethiopia -DRIVE-MRI, DRC-CF, DRC-MesoRI, Kenya - DRIVE-MRI, Malawi-CF, Malawi-SRI, Somalia - DRIVE-MRI MSMEs (n=3) Burkina Faso-PPCG, Lesotho-CF, Pakistan-CF Budget (n = 11) Comoros -REPAIR-CF, Comoros -REPAIR-CC, Djibouti -DRIVE-SRI, Indonesia-CF, Jamaica-CB, Lao PDR-SRI, Madagascar - REPAIR-CF, Madagascar - REPAIR-CC, Mozambique-SRI, Mozambique - REPAIR-CF, Mozambique- REPAIR-CC Assets (n=1), Indonesia SRI
2	Total number of countries with active coverage	15	Burkina Faso, Comoros, Djibouti, DRC, Ethiopia, Indonesia, Jamaica, Kenya, Lao PDR, Lesotho, Madagascar, Malawi, Mozambique, Pakistan, Somalia
3	# of new financial instruments in place and operational in FY [gender marker]	12	Comoros-CF, Comoros-CC, DRC-CF, DRC-MesoRI, Indonesia-CF, Lao PDR-SRI, Lesotho-CF, Madagascar-CF, Madagascar-CC, Mozambique-CF, Mozambique-CC, Pakistan-CF
4	Number of financial instruments triggered in current FY	9	Comoros -REPAIR - CC $124,000 Ethiopia -DRIVE= MRI $697,929 Indonesia - SRI $459,290 Kenya - DRIVE - MRI $44,037 Malawi - SRI $3,650,000 Malawi - CF $50,000 Moz'que - SRI $9,284,943 Moz'que- REPAIR - CC $16,900,000 Somalia - DRIVE - MRI $413,211
5	Total amount (USD) triggered in the current FY	$31,623,410	same as above
6	Total number of financial instruments designed and put in place over life of TF	24	

#	INDICATOR NAME	FY25	DETAILS
7	Total number of financial instruments triggered over life of TF[3]	25	
Result Countries at varying levels of readiness design and adopt inclusive DRF strategies and policies, improving the enabling environment for financial protection (**Intermediate outcome 1**)			
8	Number of countries who have adopted a DRF strategy with GSFF support over life of TF [gender marker]	4 [2]	
9	# of key pieces of legislation adopted to enable placement of an instrument over life of TF	10 [1]	
Result Extend coverage and impact of protection strategies by increasing humanitarian and development organization capacities and resources (**Long-term change 2**)			
10	# of people directly covered by disaster risk finance mechanisms in the FY [gender marker]	4,179,099	Burkina Faso-PPCG-18,000 DRC-MesoRI+CF-371,000 Ethiopia -DRIVE-MRI-163,302 Kenya - DRIVE-MRI-452,288 Malawi-CF-570,000 Malawi-SRI-648,000 Pakistan-CF-1,890,000[4] Somalia - DRIVE-MRI-66,509
11	Women direct beneficiaries	2,223,609	
12	# of people indirectly covered by disaster risk finance mechanisms in the FY [gender marker]	47,726,475	Burkina Faso - PPCG 106,640 Comoros -REPAIR - CC 109,462 Comoros -REPAIR-CF 6,081 Djibouti -DRIVE - SRI 57,000 Indonesia - CF 5,695,115 Indonesia - SRI 33,031,666 Jamaica - CatBond 455,640 Lao PDR - SRI 5,000,000 Madagascar - REPAIR -CF 121,625 Madagascar - REPAIR - CC 972,999 Mozambique - SRI 224,247 Mozambique - REPAIR - CF 243,250 Mozmabique- REPAIR - CC 1,702,749

3 A single instrument can trigger multiple times in a year (seasonally) or over multiple years. This indicator sums the total number of times an instrument triggered over the life of that instrument.

4 For Pakistan, the number of people covered represents the estimate over the life of the project. In FY25, GSFF does not have the actual figure and is thus including the full amount.

#	INDICATOR NAME	FY25	DETAILS
13	Women indirect beneficiaries	23,820,581	
14	Beneficiaries receiving payout: Number of beneficiaries (individuals, farmers, households or businesses) who have received payouts from disaster risk finance instruments in the FY [gender marker]	664,709	Comoros -REPAIR - CC 140 Ethiopia -DRIVE= MRI 48,576 Kenya - DRIVE - MRI 13,843 Malawi - SRI 329,670 Malawi - CF 3,330 Mozambique - SRI 250,750 Somalia - DRIVE - MRI 18,400
15	% of financial instruments triggered in the current FY that have paid out within the agreed timelines	100%	
16	% of GSFF projects that directly contribute to increasing humanitarian resources and capacity[5]	13%	Bangladesh; DRC

Result

Greater coordination of program activities among WB, governments, CSOs, and Humanitarian partners working on CDRF at technical and operational levels **(Intermediate outcome 2)**

#	INDICATOR NAME	FY25	DETAILS
17	# and % of program-supported projects where CSOs/humanitarian agencies are included in the design of the instruments	87%	Bangladesh, Burkina Faso, DRC, Indonesia, Lesotho, Malawi, Pakistan, Regional - REPAIR, Regional -West Africa, Regional-DRIVE, Rwanda, Sierra Leone, Uganda

Result

More developed and inclusive financial markets exist in countries with access to CDRFI products offered by regional risk pools and other private sector players **(Long-term change 3)**

#	INDICATOR NAME	FY25	DETAILS
18	Sum insured made accessible from (re) insurance markets in current FY (in US$)	$3,209,998,641	Djibouti -DRIVE-SRI-$2,300,000 DRC-MesoRI-$5,800,000 DRC-MesoRI-$7,000,000 Ethiopia -DRIVE-MRI-$11,397,269 Ethiopia -DRIVE-MRI-$10,159,412 Indonesia-SRI-$2,900,000,000 Jamaica-CB-$150,000,000 Kenya - DRIVE-MRI-$22,233,680 Kenya - DRIVE-MRI-$30,949,388 Lao PDR-SRI-$16,000,000 Malawi-SRI-$9,700,000 Mozambique-SRI-$35,000,000 Somalia - DRIVE-MRI-$6,111,239 Somalia - DRIVE-MRI-$3,347,653

5 Includes projects where resources have been directly transferred to CSOs/humanitarian organizations for implementation.

#	INDICATOR NAME	FY25	DETAILS
19	Total value in USD of financing in place for disaster response in current FY from GSFF-supported instruments.	4,116,998,641	Burkina Faso-PPCG-$10,000,000 Comoros -REPAIR-CF-$500,000 Comoros -REPAIR-CC-$9,000,000 Djibouti -DRIVE-SRI-$2,300,000 DRC-CF-$20,000,000 DRC-MesoRI-$5,800,000 DRC-MesoRI-$7,000,000 Ethiopia -DRIVE-MRI-$11,397,269 Ethiopia -DRIVE-MRI-$10,159,412 Indonesia-CF-$500,000,000 Indonesia-SRI-$2,900,000,000 Jamaica-CB-$150,000,000 Kenya - DRIVE-MRI-$22,233,680 Kenya - DRIVE-MRI-$30,949,388 Lao PDR-SRI-$16,000,000 Lesotho-CF-$4,000,000 Madagascar - REPAIR-CF-$10,000,000 Madagascar - REPAIR-CC-$80,000,000 Malawi-CF-$11,500,000 Malawi-SRI-$9,700,000 Mozambique-SRI-$35,000,000 Mozambique - REPAIR-CF-$20,000,000 Mozambique- REPAIR-CC-$140,000,000 Pakistan-CF-$102,000,000 Somalia - DRIVE-MRI-$6,111,239 Somalia - DRIVE-MRI-$3,347,653
20	Total value in USD of financing expected to be in place for disaster response in the next FY	4,281,438,714	
Result Domestic financial markets are strengthened and scaled, supporting country-owned collaboration and investment in public goods **(Intermediate outcome 3)**			
21	# and % of GSFF-supported countries where domestic insurance market has the capability to insure product[6]	40%	DRC, Ethiopia, Kenya, Somalia, Indonesia, Mozambique
Result Collaborative engagements with CSO, humanitarian, and private sector partners established **(Output 1)**			
22	# of financial/advisory support grants provided to CSO/humanitarian agencies (Transfers Out)	4	– 4 grants/3 entities (WFP, UNICEF, ADB)

6 Based on responding 'yes' to a question that asks, is any portion of the risk held by the domestic market? If yes, do you know what portion is held by the domestic market?

#	INDICATOR NAME	FY25	DETAILS
23	Total value (USD) of grants to CSO/humanitarian agencies (Transfers Out)	61,000,000	
24	# of CDRFI events organized that include a range of stakeholders (CSOs, humanitarian, private sector, etc.)[7]	n/a	
Result High quality risk analytics and forecasting tools & technologies developed **(Output 2)**			
25	# of analytic products developed or improved with GSFF support in FY [gender marker]	12 [2]	
26	Number of new (or improved) analytic products completed over life of trust fund	31 [6]	
Result CDRFI knowledge products designed and disseminated, increasing stakeholder capacity **(Output 3)**			
27	Number of CDRFI knowledge products produced and disseminated in current year[8] [gender marker]	42 [2]	
28	Number of people trained (disaggregated by sex)	585 [33%][9]	
29	Number of country workshops/trainings conducted that inform DRF products in current year[10]	25 [5]	
30	# of CDRFI-related events where WBG staff participated/presented Number of WBG corporate CDRFI documents/ publications to which the project team provided input [Peer Reviewed]		

7 This figure includes workshops, trainings, webinars, and conference sessions. Note: There is no clear methodology to identify a range of stakeholders. We will revisit this indicator next year

8 This figure includes publications, newsletters, blogs and videos reported by PASA and by TTLs.

9 Not all training events provided sex-disaggregated data. The 33% reported takes an average of those workshops that did report disaggregated data (n=11) and uses this benchmark for the workshops that did not report this data (n=7)

10 This figure includes study visits, workshops, and trainings that took place in countries/regions of GSFF funded projects. It does not include virtual trainings and those conducted in the US or UK.

#	INDICATOR NAME	FY25	DETAILS
Result CDRFI strategies and policies designed **(Output 4)**			
31	Number of countries where GSFF is supporting the development/ improvement of a DRF strategy planned or under design [gender marker]	5 [1]	
32	# of key pieces of legislation GSFF is supporting to enable placement of an instrument (planned or under draft)	10	
Result Innovative and integrated financial protection products and solutions proposed **(Output 5)**			
33	Number of country/ regional projects in the GSFF portfolio by project status as of the close of the fiscal year - Total	Implementation: 15 Preparation: 7 Completed: 3	Implementation: Bangladesh (9); Burkina Faso (12); DRC (23); Indonesia (14); Lesotho (8.5); Malawi (21); Morocco (5.3); Rwanda (8.5); Lao PDR (3); Pakistan (25); Sierra Leone (3); Uganda (20); DRIVE (30); West Africa (25); REPAIR (30); plus three global projects: GSFF PASA (5); ASP (1.5); Crisis Risk Analytics (1.4) Preparation: Gambia (10); Philippines - SPJ (8); Philippines - FCI (8); Somalia (12); Costa Rica (8); Malawi (10); Nepal (10) Completed: Jamaica (16.6); Mozambique (8) Sierra Leone (2.5) plus nine global grants START (0.3); Challenge Fund 1 (0.7); Challenge Fund 2 (0.7); Improving Post Disaster Crisis Data (0.1); COVID-19 Impacts (0.2); Risk Fellows (0.2); EO (2); Multi hazard risk analytics (0.6)
34	Total value of GSFF portfolio by project status as of close of fiscal year	Implementation: $237.2 Mil Preparation: $71.2 Completed: $35.7	
Result WBG CDRFI products and services acknowledge and address the gender dimensions of disaster, climate shocks and other crises **(Output 6)**			
35	Number of global public goods and knowledge products produced that include gender dimensions of CDRFI	2	
36	Number of gender-CDRFI events/trainings delivered	5	
37	Number of internal gender trainings/courses delivered related to CDRFI	0	

ANNEX 5.
Methodological Changes to the Results Framework

Introduced in 2024, the World Bank Corporate Scorecard is both a yardstick of accountability and a cornerstone of the World Bank's efforts to improve its efficiency, impact, and results. The CSC provides an overview of the World Bank Group›s performance and progress toward its goals across a set of 50 indicators (8 for Vision, 22 for Client Context, and 20 for World Bank Group Results). By sharpening the focus on accountability and impact while consolidating reporting from key institutions under a unified set of indicators, the CSC will help the World Bank refine country strategies, communicate results more effectively, enhance transparency, better manage program efforts, and identify program gaps.

The GSFF Results Framework was first designed in 2022 and has been refined in each subsequent year based on lessons from the process of collecting and reporting results for the GSFF Annual Report. In FY25, the GSFF Results Framework was revised to better align with the CSC methodology. The Results Framework overlaps with the CSC in three key areas: reporting of beneficiaries, private capital mobilized (PCM), and private capital enabled (PCE). These indicators, and changes in how their totals are calculated, are addressed below.

1. Beneficiaries

GSFF has tracked estimates of beneficiaries since 2020, first under GRiF, the predecessor to GSFF, and then through the revised theory of change and logframe for the new program. Beneficiaries are distinguished by the protection priority of the CDRFI solution, which varies across the grants supported by GSFF. Some instruments protect people, such as cash transfer linked to a social registry to provide an adaptive social protection distribution channel. Some protect businesses, such as a resilience window within a partial portfolio credit guarantee scheme. Others protect assets by covering the costs of reconstructing or repairing buildings, roads, electric grids, etc. In yet other cases, the CDRFI instrument protects government budgets; how to use the payout is left to the discretion of country authorities and depends on the nature, breadth, and depth of the emergency.

Where the protection priority is an asset or a government budget, there is no straightforward calculation of who directly (or indirectly) benefits from the coverage. At the same time, the number of people covered by any CDRFI instrument is an indicator of great interest to GSFF. To address this difficulty, GSFF collaborated with the InsuResilience Global Partnership and developed a standard methodology for estimating the number of people covered by an instrument, regardless of the protection priority. The calculation involves taking the maximum payout amount of the instrument divided by average relief costs by peril. Partners agreed to this methodology to ensure that InsuResilience could aggregate across programs to produce a global estimate. This methodology also provided a way for GSFF to develop beneficiary estimates for instruments still under design for which details were not yet known. It should be noted that while this methodology produces useful estimates of people benefiting from CDRFI instruments, it conflates direct and indirect beneficiaries and relies on rough estimates of relief costs, which are provided and not regularly updated by the InsuResilience Global Partnership and calculated by region rather than country.

The introduction of the CSC and associated guidance on how to measure beneficiaries provided GSFF with a good opportunity to revisit this methodology and ensure its alignment with CSC methods and indicators.

The beneficiary indicator in the CSC most relevant to GSFF is "Millions of beneficiaries with enhanced resilience to climate risk," which includes the sub-indicator "Number of people covered by disaster risk finance and insurance."[3] It is notable that the CSC currently measures only **direct beneficiaries** of World Bank interventions, though measurement of indirect beneficiaries may be added in the future.[4] Furthermore, the CSC guidelines include only beneficiaries of **high-intensity support**,[5] which entails active involvement of the World Bank in support of the CDRFI solution.

To better align with the World Bank Corporate Scorecard and more accurately reflect the nature of GSFF risk financing solutions, GSFF revised the way it calculates and reports beneficiary figures, based on protection priority. Box A5.1 demonstrates the impact of this change on beneficiary figures in FY25 reporting. Tables A5.1 and A5.2 provide explanations for the calculations and for the differences from previous reporting.

BOX A5.1: IMPACT OF REVISED METHODOLOGY

An analysis of FY25 data reveals the following:

- The total number of beneficiaries is 52,998,759 if using the old methodology.
- The total number of beneficiaries is 4,324,430 if the total includes only instruments whose protection priority is people or MSMEs (where it is straightforward to come up with a reasonable estimate of direct beneficiaries).

The way to resolve this discrepancy is to report two figures, referencing the differences in calculation:

- Direct beneficiaries: 4,324,430 (where the protection of people or MSMEs is prioritized)
- Indirect beneficiaries: 47,726,475 (where protection of assets or budget is prioritized and indirect beneficiaries are calculated based on prioritizing the protection of MSMEs)

3 The other potential CSC indicators of relevance are "Millions of beneficiaries of social safety net programs" and "Millions of people and businesses using financial services, of which (%) are women." However, since GSFF focuses on addressing financial protection against climate risks, its Results Framework does not include indicators that specifically address social safety nets and use of financial services. GSFF recognizes, however, that the World Bank projects in which its grants are embedded may additionally track these indicators.

4 **Direct beneficiaries** are individuals who are targeted by a World Bank Group intervention or who directly benefit from the intervention. In the event the indicator tracks households as beneficiaries, project teams can apply a household conversion based on locally available data, or on the latest data from the United Nations Population Division Database on Household Size and Composition. **Indirect beneficiaries** are people or groups who are expected to receive indirect benefits from an intervention through upstream infrastructure, enabling conditions, or other means. Indirect beneficiaries are not the intervention's primary target, but they receive benefits through the ripple effects of the intervention's impact on direct beneficiaries.

5 **High-intensity support** fosters long-term resilience through (i) multiple or continuous interventions over time; (ii) interventions that build (underpinning) infrastructure, solutions, or an enabling environment; and (iii) short-term or emergency interventions that directly protect people from climate shocks and stressors, thereby enhancing their resilience. By contrast, **low-intensity support** is characteristic of one-off and short-duration interventions, taking into consideration the local context.

TABLE A5.1. EXPLANATIONS OF CALCULATIONS BY PROTECTION PRIORITY

PROTECTION PRIORITY	EXPLANATION
General	The revised GSFF methodology will disaggregate counts of solutions by protection priority, and GSFF will report on the total number of DRF solutions in place, broken down as follows: · Number protecting assets · Number protecting businesses · Number protecting budgets · Number protecting people
Assets (buildings, roads, etc.)	The direct beneficiary is the owner of the asset (for GSFF this means the government in most cases). GSFF does not have access to any accurate models of asset usage (e.g., how many people work or live inside a building protected by a CDRFI solution) and so cannot calculate an accurate figure for indirect beneficiaries. Furthermore, CSC indicators do not measure indirect beneficiaries; nor is there specific guidance on how to calculate this figure. This situation will evolve with forthcoming CSC guidelines. Instruments with a protection priority of Assets will not contribute to the direct beneficiaries estimate. As such, the figure GSFF reports will be reduced as compared to the past. To maintain consistency, GSFF will continue to use the less precise measure of average relief costs, labeling them as indirect beneficiaries. The Secretariat will continue to work with the World Bank Outcomes Department to ensure that reporting aligns with forthcoming guidance.
Government budget	The direct beneficiary is the government. There is no way of calculating indirect beneficiaries since the payout can be used to address a variety of needs, depending on the disaster. Instruments with a protection priority of budget will not contribute to the estimate of direct beneficiaries, reducing the number of direct beneficiaries GSFF reports as compared to the past. However, to maintain consistency with past reporting, GSFF will continue to use the less precise measure of average relief costs, labeling them as indirect beneficiaries. The Secretariat will continue to work with the World Bank Outcomes Department to ensure that reporting aligns with forthcoming guidance. Note, in cases where there are payouts and the government reports figures on beneficiaries reached, these numbers will be added to the GSFF indicator of beneficiaries receiving a payout.
Businesses	The direct beneficiaries are the employees of the firm. The number of direct beneficiaries is calculated by multiplying the number of firms the instrument covers by the average firm size. GSFF will also report an indirect beneficiary calculation, which multiplies the above number by the average household size. This change will slightly reduce the number of direct beneficiaries GSFF reports as compared to the past, since the indirect beneficiary figure used to be reported.

PROTECTION PRIORITY	EXPLANATION
People	The direct beneficiary is usually a household or a farmer. Here, GSFF's calculation remains the same: the number of households covered by the CDRFI instrument multiplied by the average household size. This change will have no impact on beneficiary counts.

The change in methodology has created a few other challenges for reporting beneficiaries, which will be addressed to ensure alignment with the CSC guidelines where possible. See Table A5.2.

TABLE A5.2. FURTHER REPORTING ISSUES AND SOLUTIONS

ISSUE	EXPLANATION
Some GSFF-funded instruments cover multiple seasons within a fiscal year, creating overlaps in who is reached in each season. The method for eliminating double-counting will now follow CSC guidelines.	In the past, GSFF averaged beneficiary estimates for the two seasons. CSC guidance recommends that when the overlap is unknown, the higher value is taken. While GSFF will report the figures for each season in detailed results, only the higher value will be taken when figures are aggregated. This change will reduce the number of beneficiaries reported.
Some GSFF-funded solutions are separate CDRFI instruments that work together—for instance, a contingency fund that protects 20,000 registered farmers and is backstopped by an insurance product. The method for eliminating double-counting (where beneficiaries of the two instruments is the same) will now follow CSC guidelines.	In the past, GSFF allocated the beneficiaries based on the proportional dollar value of the coverage. For instance, if the size of the contingency fund was US$10 million and the maximal payout of the insurance backstop was US$20 million, GSFF allocated one-third of the 20,000 farmers to the contingency fund and two-thirds to the insurance backstop. Following CSC guidance on double-counting, GSFF will show 20,000 for each instrument in the detailed reporting; when figures are aggregated, the beneficiaries will be counted only once. This change has no impact on beneficiary counts.
In some cases, GSFF designs instruments that cover an entire population group (e.g., all uninsured persons in a country). However, the maximum payout of the instrument cannot cover the whole population.	This issue is not addressed in the CSC guidance. GSFF will work with the World Bank Outcomes Department to address it. For now, GSFF will continue to use the original approach of estimating indirect beneficiaries based on the capacity of the instrument, dividing the maximum payout by the average relief costs.

ISSUE	EXPLANATION
The CSC guidelines indicate that GSFF should report beneficiaries only in cases where GSFF provides high-intensity support—defined as support for long-term resilience through (i) multiple or continuous interventions over time; (ii) interventions that build (underpinning) infrastructure, solutions, or an enabling environment; and (iii) short-term or emergency interventions that directly protect people from climate shocks and stressors, thereby enhancing their resilience). By contrast, low-intensity support is characteristic of one-off and short-duration interventions, taking into consideration the local context.	GSFF conducted a review of the instruments it funds and found that all offer high-intensity support, which falls into two broad categories: • Premium support or capitalization, without which the instrument would not have been placed/made active. • Support for, capacity building for, or development of the enabling environment, without which the instrument could not have been placed/made active or without which the instrument renewal would not have taken place. This includes situations where the capitalization of a contingency fund or contingent credit is realized through the associated World Bank project but where GSFF provides critical support, such as linking a contingency plan to the instrument or supporting the underlying regulation of the instrument.

2. Private Capital Enabled and Private Capital Mobilized

The GSFF results framework included an indicator that serves as a proxy for strengthening of financial markets, "Amount of private capital facilitated (PCF) by GSFF-supported instruments (USD)." This indicator, a proxy for private sector penetration, was calculated by taking the maximum payout amount for all instruments where the risk is transferred to (re) insurance and capital markets (e.g., insurance solutions and catastrophe bonds).

Within the CSC, there are two indicators used by lending operations to measure the involvement of the private sector: "private capital mobilized (PCM)" and "private capital enabled (PCE)". In consultation with MEL experts in the World Bank, GSFF decided to replace its current indicator with these two standard CSC indicators. Linked exclusively to lending operations, PCM and PCE are reported by task team leads and are centrally controlled by the Outcomes Department, with data maintained in the World Bank Operations Portal. Since GSFF grants are cofinanced, GSFF can capture these figures as part of its results. According to the CSC guidance, GSFF can report the full amount of PCM/PCE based on the amounts in the Operations Portal, as there is currently no attribution of PCM/PCE for each funding source (i.e., lending versus trust fund grants). However, GSFF will elaborate its contribution to these outcomes in a clear and transparent manner.

Given the need to establish a methodology for this purpose, for FY25 GSFF will continue to report the proxy of private capital using the methodology described above. However, this indicator is no longer "Amount of private capital facilitated (PCF)" but is instead "Sum insured made accessible made accessible from (re)insurance markets and capital markets;" this change is meant to ensure that the GSFF indicator is not confused with World Bank Corporate Scorecard indicators. GSFF will work with the MEL experts to ensure that these indicators align with CSC guidance in FY26.

ANNEX 6.

GSFF's Contributions to Global Shield In-Country Processes

COUNTRY	STATUS OF IN-COUNTRY PROCESS (ICP)	GSFF GRANTS AND CONTRIBUTIONS TO ICP	AREA OF THE REQUEST FOR SUPPORT (RFS) ADDRESSED
Bangladesh	Gap analysis	US$9 million grant: Leveraging the World Food Programme's on-the-ground experience to support flood-prone communities along the Jamuna River (under implementation; endorsed under GRiF) Contributions to ICP: • Engaged with Institute of Water Modeling, the support structure on the ground. Invited them to WB-hosted events on DRF and engaged with them during and outside of missions to provide information on WB-specific engagements on DRF. • Attending in-country workshops as and when invited by the GS Secretariat and contributing inputs to the discussions.	*Request for Support forthcoming*
Costa Rica	Tailoring of support package	US$8 million grant: Delivering on DRF strategic priorities, including more resilient public assets and a scalable social protection system (scoping – World Bank project in preparation) Contributions to ICP: • Participation of a GSFF representative in multiple consultations with financing vehicles as well as the launch event of the Request for Support. • Detailed consultations with all stakeholders on the support package and the GSFF scoping grant endorsed in FY25.	Area 1: Strategy for sustai-nability of the National Emergency Fund Area 2: Develop and implement a layered risk financing approach, including insurance instruments
Ghana	Implementation	US$200,000 grant: Advancing linkages between DRF and adaptive social protection (World Bank-executed technical assistance) *A US$9 million grant was endorsed in FY25, but the project was canceled due to fiscal consolidation.* Contributions to ICP: Ghana's ICP was the first of its kind, which is why engagement was not as systematic as in the following ICPs. GSFF was involved in the process late and only when much of it was completed. GSFF mobilized WB social protection colleagues who offered contributions to the stock-take and the Request for Support.	Adaptive social protection

COUNTRY	STATUS OF IN-COUNTRY PROCESS (ICP)	GSFF GRANTS AND CONTRIBUTIONS TO ICP	AREA OF THE REQUEST FOR SUPPORT (RFS) ADDRESSED
Madagascar	Request for Support	US$200,000 grant: Building a more robust CDRFI program that targets MSMEs as the country joins the landmark regional initiative REPAIR[3] (World Bank-executed technical assistance) *REPAIR is supported by a US$30 million GSFF grant.* Contributions to ICP: • Participation in multiple meetings before and after the launch of the ICP. • World Bank participation in the ICP kick-off workshop and second ICP workshop. • Provision of feedback on the draft gap analysis. • Regular updates to the GS Secretariat on the implementation of the REPAIR program and the development of the DRF strategy.	*Request for Support forthcoming*
Malawi	Tailoring of support package	US$21 million grant: Leveraging CDRFI to scale up social safety nets during crises (Under implementation; endorsed under GRiF) US$10 million grant: Continuing scale-up of the country's flagship emergency cash transfer program through a second GSFF grant (Scoping – World Bank project in preparation) *Malawi also recently joined REPAIR.* Contributions to ICP: • Participation of the Global Shield ICP coordinator in the DRF Analytics Training organized by the WB team for the DRF Technical Working Group in December 2024. • Two consultations with the GS team during the stock take and gap analysis processes and provision of inputs to documents. • Participation in the first in-country workshop, including presentation of the WB's work on shock-responsive social protection and delivery systems. • Attendance of two WB staff at the Global Risk Modeling Alliance (GRMA) workshop in July 2025. • Review of the Request for Support and provision of inputs. • Bilateral debrief to align the World Bank's interventions with the priority areas identified in the Request for Support. • Participation in the DRF Technical Working Group workshop to validate the Request for Support. • Consultations with the GS Secretariat to discuss ongoing DRF initiatives in Malawi. • Inputs for GS Secretariat and GSSP on ongoing World Bank activities and the GSFF scoping grant for the tailoring of the support package.	Area 2: Scale sovereign, sub-national and agricultural risk transfer instruments by developing sustainable, multi-peril insurance instruments Area 3: Enhance distribution channels (money-out) of sovereign-level risk finance instruments (money-in) and link to social protection systems

1 Regional Emergency Preparedness and Inclusive Recovery Program

COUNTRY	STATUS OF IN-COUNTRY PROCESS (ICP)	GSFF GRANTS AND CONTRIBUTIONS TO ICP	AREA OF THE REQUEST FOR SUPPORT (RFS) ADDRESSED
Pacific Island Countries	Gap analyses in Fiji and Tonga, stock-take in Samoa	Contributions to ICP: • Coordination between World Bank, GS Secretariat, and other financing vehicles through Coordination Hub meetings.	*Requests for Support forthcoming*
Pakistan	Tailoring of support package	US$25 million grant: Providing emergency liquidity to microfinance lenders and borrowers in disaster-prone areas through CDRFI instruments (Under implementation) Contributions to ICP: • Participation of World Bank team members in multiple ICP workshops. • Provision of feedback on draft ICP documents (e.g., stock take, gap analysis). • Inputs on ICP documents to reflect GSFF-funded activities. • Participation of a GSFF representative and the World Bank team in consultations with the government for the tailoring of the support package.	Support Component 1: Sovereign Risk Finance and Transfer – Mobilize resources for disaster response and recovery following a compre-hensive, risk-layered approach Support Component 4: Livelihood Protection –Building financial protection of the most vulnerable communities and households through trigger-based and shock-responsive social protection programs
Peru	Initiation of process	*ICP in starting phase; coordination for participation ongoing.*	*Request for Support forthcoming*
Philippines	Gap analysis	US$8 million grant: Reforming agricultural insurance to offer up to 10 million farmers better products and coverage (Scoping – World Bank project in preparation) US$8 million grant: Helping the poorest households better prepare for the impact of droughts or floods through anticipatory cash transfers (Scoping – World Bank project in preparation) Contributions to ICP: • Regular consultations between World Bank and GS Secretariat. • World Bank participation in the ICP kick-off workshop. • Sharing of a DRF stock take to provide inputs to the ICP.	*Request for Support forthcoming*
Rwanda	Gap analysis	US$8.5 million grant: Using a new credit window to provide bridge loans to MSMEs dealing with climate shocks (Under implementation) Contributions to ICP: • World Bank participation in the ICP kick-off workshop. • Provision of written comments and inputs to the draft Gap Analysis and Stock Take reports as well as the Request for Support.	*Request for Support forthcoming*

COUNTRY	STATUS OF IN-COUNTRY PROCESS (ICP)	GSFF GRANTS AND CONTRIBUTIONS TO ICP	AREA OF THE REQUEST FOR SUPPORT (RFS) ADDRESSED
Senegal	Tailoring of support package	US$200,000 grant: Leveraging technical assistance to implement the country's DRF strategy and advance key protection priorities (World Bank-executed technical assistance) Contributions to ICP: • Organization of a joint workshop presenting the World Bank's DRF diagnostic and kicking off the ICP. • Coordination between GSFF, the World Bank country team, and the GS Secretariat on alignment between the country's Disaster Risk Finance Strategy and the Request for Support. • Planning of complementary activities regarding the operationalization of the DRF strategy and the tailoring of the support package. • Consultations with GSSP on the tailoring of the support package. • Organization of joint meetings with the World Bank team and the government during a GSSP/GRMA mission.	Area 1: Expanding sovereign-level financial protection Area 2: Sub-Sovereign Level Financial Protection Area 4: Improve governance of risk data
Somalia	Gap analysis	US$12 million grant: Supporting complementary programs to close protection gaps for the most vulnerable populations and the pastoral economy (Scoping – World Bank project in preparation) *Somalia is also member of DRIVE,[4] supported by a US$30 million GSFF grant.* Contributions to ICP: • Sharing of World Bank expertise on working in fragile and conflict-affected settings with the GS Secretariat regarding the early stages of the ICP in Somalia. • World Bank participation in the ICP kick-off workshop. • Upstream engagement: Before the workshop, the WB technical team provided updates on the status of the DRF Strategy, helped ensure alignment of stakeholders, facilitated engagement with the Ministry of Finance DRF Strategy Coordinator, and coordinated consultations other relevant WB project teams.	*Request for Support forthcoming*

4 De-risking, Inclusion, and Value Enhancement of Pastoral Economies in the Horn of Africa project

COUNTRY	STATUS OF IN-COUNTRY PROCESS (ICP)	GSFF GRANTS AND CONTRIBUTIONS TO ICP	AREA OF THE REQUEST FOR SUPPORT (RFS) ADDRESSED
The Gambia	Tailoring of support package	US$10 million grant: Accelerating linkages between CDRFI and a nascent social protection system (Scoping – World Bank project in preparation) Contributions to ICP: • Consultations between GSFF, the World Bank country team, and the GS Secretariat. • Inputs on the GSFF scoping grant for tailoring of support package. • Organization of a joint workshop with GSSP.	Intervention 1: Develop an overarching CDRFI strategy Intervention 2: Strengthen sovereign risk transfer instruments, capitalize the National Disaster Fund, and create linkages to adaptive social protection systems

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