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

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The GRiF Portfolio

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

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

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

- Jamaica
  - $16.4 million grant to finance premium payments for a risk transfer instrument that will expand the country’s suite of financial preparedness instruments to protect its budget from climate shocks.

- Malawi
  - $21 million grant, part of a $120 million World Bank operation to enable the country’s Social Cash Transfer Program to scale up during emergencies and to fund the design of a parametric insurance instrument that will provide protection against more severe events.

- Mozambique
  - $8 million grant, part of a $90 million World Bank operation to support the government’s disaster risk management program, with a strong focus on financial planning. The funds will enable: (i) the design of a sovereign risk insurance mechanism against severe events and (ii) co-payment of premiums for this instrument alongside the government.

- Global Analytics Program
  - $5.5 million grant awarded to support the development of public goods on crisis risk finance. Activities financed through this grant will leverage satellite data, innovative technology, and analytics to create an enabling environment for improved risk management and risk financing.
  - $200,000 scoping grant awarded for the feasibility assessment and design of a Capacity Strengthening Program to provide flexible, customized, and real-time training to government officials on financial planning for emergencies.
  - These grants join the analytical awards granted in 2018 during the design pilot phase of GRiF, which set up two Challenge Funds and supported analytical work in Armenia as well as work with the Famine Early Action Mechanism (FAM) and the Start Network.

- Southeast Asia Disaster Risk Insurance Facility (SEADRIF)
- Fiji working through the Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI)
About GRiF

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

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

How does GRiF support countries?

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

Mozambique

Implementing sovereign risk insurance solutions

Each year, Mozambique loses more than 1% of GDP to small-scale hazards, micro-syndromes and floods to droughts and extreme storms. Mozambique relies almost entirely on ex-post disaster assistance, which affected 2 million people and left 1 in 5 of its population vulnerable to disaster.

Financial mechanisms to address these vulnerabilities are essential. After the occurrence of these events, with funds often flowing through a disbursement cycle or earmarked for specific events, a DRF IP operation supports governments to mobilize resources to implement programs designed to develop and implement comprehensive sovereign risk insurance programs, including national disaster funds.

An upfront GRF grant of US$ 15 million will support the design and implementation of an sovereign disaster risk insurance scheme and co-financing programs.

Malawi

Designing a shock-responsive system

Malawi faces high risk of droughts and floods. Around 81% of Malawians live in rural areas, 50% of the agricultural population is employed in rain-fed agriculture. Malawi is also highly exposed to other shocks such as flooding, droughts, and landslides. The country faces severe vulnerabilities to weather-related shocks, particularly to seasonal weather extremes and social conditions, in the country’s low capacity and resources to ensure adequate and timely responses to climate shocks.

A $2.5 million DRF IP operation will support Malawi’s government to expand and update its Social Protection Program to develop and implement a comprehensive shock-responsive risk financing strategy including a national disaster fund.

As part of this operation, a $2.5 million GRF grant of US$ 15 million will support the design and pilot implementation of a sovereign disaster risk insurance scheme and co-financing programs.

Sierra Leone

Responding to Disaster and Health Shocks

Sierra Leone is one of the few fragile and conflict-affected countries. Each year, Sierra Leone loses significant revenues and provides emergency and reconstruction assistance to affected people in the aftermath of disasters.

A $90 million IDA operation to implement a sovereign risk insurance scheme and co-financing implementation of a $8 million financing premium for a sovereign risk insurance scheme was awarded, to support Sierra Leone’s government to improve and strengthen the country’s financial resilience to climate-related disasters and health shocks.

The $2.5 million GRF grant, alongside the IDA operation, will be used to support the availability of a contingent financing facility and a national insurance fund. As part of this operation, a $2.5 million GRF grant of US$ 15 million will be used to support the design of a comprehensive shock-responsive risk financing strategy.

Jamaica

Supporting a Comprehensive Financial Protection Strategy

Jamaica faces a high risk of hurricanes, tropical storms, earthquakes, droughts, floods, and landslides which can lead to significant economic losses.

In 2017, Jamaica launched the Jamaica Resilience Insurance Fund (or “First Risk”), a GRF fund, to help the government establish commercial and non-commercial risk insurance schemes.

Jamaica was one of the first five countries in the Caribbean to secure a GRF to support the development of insurance mechanisms.

Jamaica’s GRF operation will support countries to establish multi-hazard sovereign risk insurance schemes in order to finance recovery after disasters.

GRF supports countries to implement sovereign risk insurance mechanisms to reduce the financial impacts of climate-related disasters and health shocks. The GRF grant will support the government’s efforts to reduce the financial impact of these shocks and improve its insurance and social protection systems.

Milestones

- 2018: Annual GRF Operational Review
- April: Second OGC meeting
- May: Second Annual GRF Steering Committee meeting
- October: Fourth GRF Technical Committee meeting
- November: Second High Level Consultative Group meeting of InsuResilience Global Partnership
- 2019: March: Project-
- April: Monthly Graceful Exit Evaluation Meeting
- May: First High Level Consultative Group meeting of InsuResilience Global Partnership
- June: First High Level Consultative Group meeting of InsuResilience Global Partnership
- July: First GRF steering committee meeting
- August: Second GRF steering committee meeting
- September: First GRF grant awarded, to support Malawi’s government to improve and strengthen the country’s financial resilience to climate-related disasters and health shocks.
- October: Third GRF grant awarded, to support Sierra Leone’s government to improve and strengthen the country’s financial resilience to climate-related disasters and health shocks.
- November: Fourth GRF grant awarded, to support Mozambique’s government to improve and strengthen the country’s financial resilience to climate-related disasters and health shocks.
- December: Fifth GRF grant awarded, to support Jamaica’s government to improve and strengthen the country’s financial resilience to climate-related disasters and health shocks.

- 2020:
- January: First GRF grant awarded, to support Malawi’s government to improve and strengthen the country’s financial resilience to climate-related disasters and health shocks.
- February: Second GRF grant awarded, to support Jamaica’s government to improve and strengthen the country’s financial resilience to climate-related disasters and health shocks.
- March: Third GRF grant awarded, to support Sierra Leone’s government to improve and strengthen the country’s financial resilience to climate-related disasters and health shocks.
- April: Fourth GRF grant awarded, to support Mozambique’s government to improve and strengthen the country’s financial resilience to climate-related disasters and health shocks.
- May: Fifth GRF grant awarded, to support Jamaica’s government to improve and strengthen the country’s financial resilience to climate-related disasters and health shocks.

- 2021:
- January: First GRF grant awarded, to support Malawi’s government to improve and strengthen the country’s financial resilience to climate-related disasters and health shocks.
- February: Second GRF grant awarded, to support Jamaica’s government to improve and strengthen the country’s financial resilience to climate-related disasters and health shocks.
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