The Global Shield against Climate Risks

@ Disaster Risk Financing and Sustainability Workshops
Development Partner Roundtable, CCRIF’s Vision and Strategic Direction to 2030
21st of February 2024, Virtual Presentation

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A Joint V20 and G7 Ambition for the Global Shield fostering demand-side and country owned approach

- **Global cooperation**
  - to substantially increase financial protection against climate risks

- **Inclusive and systematic In-Country Processes**
  - to assess vulnerabilities and close protection gaps

- **A global and flexible Financing Structure**
  - to mobilize needs-based technical and financial support for countries

**Systematic, coherent and sustained approach to financial protection**

**More and better pre-arranged and trigger-based finance**

Immediate availability of resources in response to disasters, in the most efficient, effective, and fastest way for the economy, businesses, and communities.
Funding raised to date sums up to ~€295 million
The Global Shield links to International Agendas such as

CDRFI cuts across humanitarian, development, climate, and social agendas

**Social Protection**
Potential for the GS to strengthen shock-responsive social safety nets, e.g. through sovereign risk transfer linked to a social protection system delivering cash transfers to affected people

**Early Warning / Anticipatory Action**
GS can facilitate implementation of risk financing instruments linked to early warning systems, i.e. using forecasts to pay out in anticipation of climate shocks, and enabling anticipatory (humanitarian) action

**Climate Change Adaptation**
Risk Analytics applied and outcomes from Gap analysis can inform broader adaptation and risk reduction investments, incl. Information on resilience baselines and cost-benefit ratios of different adaptation options

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The support options available for solutions at micro, meso and macro scale include:

**Financial Instruments**
- Retention funds/National Disaster Risk Funds
- Risk transfer products (e.g. climate risk insurance via regional risk pools, livestock and crop insurance at household-level)
- Credit guarantees
- Contingent credits
- Financial market instruments (e.g. catastrophe bonds)
- Parametric and forecast-based finance for anticipatory action

**Premium and Capital Support**

**Technical Support**
- Risk analytics
- Capacity building
- Strengthening regulatory frameworks
- Integrating climate and disaster risk financing into Disaster Risk Management strategies
- Linking to early warning systems
- Development and strengthening of distribution channels
- Linking to social protection systems as disbursement mechanism
The central element of the GS: In-Country Process

Guided and facilitated by the In-Country Coordination
(government focal point + support structure)

Supported by expertise offered via the Global Shield Technical Advisory Group

Initiate In-Country Process → Stock-take → Gap Analysis: Request for CDRFI Support → Tailoring support package → Implementation of support package

Entire process supported by Global Shield Secretariat

Estimated timeline:
Initiation → Request for CDRFI Support: 6-12 months
The Global Shield is currently being piloted in:

- Bangladesh
- Costa Rica
- Ghana
- Jamaica
- Malawi
- Pakistan
- The Philippines
- Senegal
- Pacific SIDS

Pathfinder Countries

Pathfinder Region

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The next cohort of Global Shield countries

The Call for Expression of Interest

FEBRUARY

Country representatives submit an Expression of Interest

MARCH

The Global Shield Secretariat holds consultation calls with interested countries

Countries are ranked according to the Prioritization Framework

Shortlisted countries are invited to confirm their commitment via an official letter

APRIL

The new cohort of countries approved by the Global Shield Board are officially announced

2/21/2024
Unleashing Regional Resilience through a Thematic Window for Regional Risk Pools

Overall Framework of the Thematic Window – Global Programme

| Objective: | Strengthen and scale up Regional Risk Pools |
| Access + Implementation Period: | Application via specific Call for Requests  
Frequency depending on available funding and additional GSSP contributions  
Max. implementation period: 3 yrs |
| Eligibility: | All existing Regional Risk Pools (ARC Group, CCRIF, PCRIC, SEADRIF)  
Potentially additional risk pools if applicable in future |
| GSSP Funding earmarked to Thematic Windows: | To be adapted after additional contributions increase GSSP resources |

Thematic Window Regional Risk Pools

- 1st Call: 01/24
- 2nd Call: 03/24
- 01/2x
- 03/2x
- 01/2x

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Thank you for your attention!
Follow us for more information on the Global Shield

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