

Office for the Coordination of Humanitarian Affairs

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**Remarks at World Economic Forum side event: Building resilience, insurance for
humanity**

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As prepared for delivery

It is a pleasure to be here with you today, being in Davos, to discuss the private sector's stake in some of the most urgent challenges currently facing humanity which is essential to what we are going to be looking at this morning. I thank the governments and insurance companies, and the humanitarian and development organizations, who have recognized the tremendous role that insurance can play in protecting the lives and livelihoods of at-risk communities and propelled this agenda over the last few years. I extend a special thank you to the Insurance Development Forum and Stephen Catlin, Rowan Douglas and Sophie Evans for collaborating with all of us to make this session happen.

Today, the scale of humanitarian suffering is greater than at any time since the Second World War, with over 130 million people affected by complex, inter-connected humanitarian crises that have left them in need of life-saving aid. Governments are indeed more generous than ever, but despite this, humanitarian need continues to vastly outpace their ability and their actual support.

Last year, 102 million people all over the world were affected by droughts, storms, earthquakes or floods but the vast majority of these people had no risk insurance to help them cope. They lost their homes, they lost their livelihoods; they faced mass displacement and hunger; deepening impoverishment and indebtedness.

I recently announced that the United Nations and its partners are requesting US\$22.2 billion this year to help 93 million people in 37 countries. Our global appeal for humanitarian support calls for aid to help people in Ethiopia, Somalia and Southern Africa who have been struck by drought because of the El Niño and its successor, La Niña. We call for aid for Haitians whose crops were wiped out by El Niño and Hurricane Matthew; and assistance to help millions confronting environmental degradation across the Sahel. We will make additional calls in the wake of unforeseen disasters that will inevitably occur.

The world needs to be ready to respond to suffering and to rebuild quickly and effectively. But it also needs to find better ways to build up resilience so that hazards do not force people into a humanitarian crisis mode. This is where the insurance industry comes in.

From my personal experience in the private sector and my interactions with some of the insurance firms in this room, I am well aware of what insurance mechanisms can do for crisis-affected families, governments and indeed aid agencies. Now in my current office as the Under-Secretary-General of the Office for the Coordination of Humanitarian Affairs and Emergency Relief Coordinator, I am acutely conscious of the challenges we currently face in preparing for and responding to complex crises the world over.

By paying out premiums to at-risk individuals or institutions based on pre-determined risk thresholds, insurance can help at-risk communities cope with impending disasters before they occur. And it enables international agencies and governments to prepare their responses in advance, saving time and money. In short, by being anticipatory and predictable, this approach can vastly enhance the effectiveness of humanitarian action.

Applying this insurance model to resilience means putting risk analysis and risk modelling at its very centre. From there, all of our preparedness, resilience and response work will be guided by that risk modelling.

This approach speaks directly to Core Responsibility 5 of the Secretary-General's Agenda for Humanity, to invest in humanity by being risk-informed; by investing in preparedness and risk mitigation; by adopting innovative funding models; and by bringing the private sector, development and humanitarian communities closer together to work towards shared outcomes.

This groundbreaking collaboration we have seen within the insurance industry to propel insurance for the resilience agenda is something that we can all learn from. Last year, the CEOs of the leading stock and mutual underwriters, the three global insurance brokers and heads of our global industry associations came together to form the Insurance Development Forum, alongside governments and international organizations, including the United Nations and the World Bank.

The IDF will deliver risk-triggered insurance to millions of vulnerable people in at-risk countries across the globe. Overcoming their rivalries these firms are collaborating to address a shared mission with the UN and partners: to build understanding of global risk and to create platforms for sustainable growth and dignity. Constructive collaboration on constructive competition.

Their collaboration will significantly increase the pace and coverage of insurance solutions to protect the vulnerable and will deliver a structural change in the way that we collectively build the resilience over years to come.

Other groups are also taking bold innovative steps to respond to risk.

The START network of NGOs is working with the World Food Programme, the International Society of the Red Cross and others to scale up the use of insurance and catastrophe bonds to build resilience, and prepare for and respond to emergencies.

The Africa Risk Capacity is one of several regional networks to provide pay-outs to Member States based on pre-identified weather-triggered risk thresholds.

And the R4 Rural Resilience Initiative set up by WFP, Oxfam and Swiss Re gives community risk-reduction, micro-insurance and credit and savings to at-risk groups to boost their food security.

These and other efforts give a clear indication that we are on the cusp of an insurance and resilience revolution.

The same spirit of collaboration that underscored each of these initiatives, also drove some of the most inspired global agreements from 2016.

These include the COP 21 Paris Climate Accords and the Sendai Disaster Risk Reduction Framework, both of which contributed to the UN's 2030 Sustainable Development Agenda. And in the humanitarian realm, the launch of the Secretary-General's Agenda for Humanity, through which stakeholders committed to 3,000 actions to advance progress on the most pressing issues of our time. At the World Humanitarian Summit, I am very pleased to say, 900 private sectors organisations came with a multi-sector, multi-stakeholders approach to collaborating on humanitarian affairs.

The new United Nations Secretary-General has made it crystal clear that partnerships such as these are the key to progress, to breaking down barriers and instigating change. I am here representing one United Nations to build on our interaction with multi-stakeholder partners the world over.

By engaging in resilience-building to support the UN 2030 agenda, some of the greatest insurance industry names in this room will have an unprecedented global impact on the lives and livelihoods of people most at risk from natural disasters.

I now urge other companies to follow the leadership of the IDF, and the Government of Grenada, to work out how your operations, products and services can support the realities of our planet and better serve markets today and in the future and, above all, people. Now it is time to turn risk into opportunity; to make global goals local business; and to set a new universal standard for development that will ensure no one is left behind as we work together to meet the 2030 deadline. I certainly look forward to working with you to take up the challenge.
