

## PRESS RELEASE

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### IDF REPORT IDENTIFIES HOW BARRIERS TO GLOBAL RISK UNDERSTANDING CAN BE OVERCOME

*Latest IDF White Paper ‘**The Development Impact of Risk Analytics**’ demonstrates the importance of risk insight as a foundation for sustainable development, and how access to risk understanding can - and should - be accelerated.*

**LONDON 20 October, 2020:** The Insurance Development Forum (IDF), a partnership led by the insurance industry and supported by the UN, World Bank, NGOs and other international organisations, is calling for an international collaboration to share and propagate capabilities in disaster risk understanding where it is needed the most.

This call to action is the message of the IDF’s latest white paper – ***The Development Impact of Risk Analytics*** – a truly cross-sector report bringing together risk expertise from more than 30 organisations across private sector, development agencies and specialists, academia and international NGOs. The paper demonstrates how the adoption of open risk modelling principles and frameworks can help countries and cities integrate invaluable local knowledge with global research, and most importantly develop their own view of risk for strategic risk management and operational risk finance.

The report assesses the powerful contribution of risk quantification in the context of the 17 **UN Sustainable Development Goals (SDGs)**, and how the use of open risk analytics principles and platforms can overcome cost and other barriers to access, while increasing confidence in the analysis. This empowering capability is critical as vulnerable economies seek to build social, environmental and financial resilience in the face of increased climate risk, pandemic and other threats.

Specific country case studies build the case for local empowerment through building national and city risk functions. A deeply evidence driven chapter describes the distinct experience of women and girls in disasters, and how gender considerations can – and must - be integrated in the process of understanding and managing risk.

Providing compelling evidence from all sectors and from across the globe, the paper recommends that the way to accelerate risk understanding at scale is through public, private and academic collaborations, made possible through shared use of open source platforms and data standards. The private sector has developed risk understanding as a survival skill and stands ready to work with sovereign ministries, development partners and humanitarians in strategic risk prevention, residual risk transfer and anticipatory action. Critically, this will build a shared language of risk across providers and users of risk capital.

Between them, the expert contributors identify that disasters and climate risk are intensifying, and their impacts – as we have seen recently with COVID-19 – are a global concern. As the authors suggest, to better prepare for these scenarios we need to move from managing disasters to managing the risk itself.

**Nick Moody, the paper’s editor and member of the IDF’s Risk Modelling Steering Group, said:**

*“Our subjective personal experience and observations will always be a factor in complex decision-making, and we all know that no model will ever be completely correct. However the*

*practice of integrating local and global research and openly sharing assumptions reduces uncertainty and, frankly, fear. It builds the confidence so essential for attracting investment in resilience. This means that risk understanding should not be the privilege of the few.*

*The good news is that the methodologies, research sources and open source technology already exist; primarily we need to solve the problem of distribution; we need to make risk knowledge accessible where it is needed the most. We hope this paper fuels the conversation and leads to an SDG focussed public-private programme applying open source principles and standards, where risk analytics can become accessible as a strategic resource to all nations and cities at risk.”*

**Jan Kellett, Special Advisor, United Nations Development Programme (UNDP) Finance Sector, said:**

*“Development is about empowerment; risk owners are understandably keen to move from aid dependency to sustainable local capacity, capable of responding to the differentiated needs of communities, genders and vulnerable groups.*

*However it is hard for a nation or city to achieve this while barriers remain to building local risk understanding, and to integration of local experience and research. Governments and cities increasingly need to integrate strategic risk thinking into their resilience planning and financing frameworks, but to do so they need accessible tools and methodologies.*

*The re/insurance sector can bring significant risk modelling and risk management expertise to help unlock sustainable investment. This paper shows how cross-sector collaboration, open standards and enabling technology can harness these strengths for public good and economic development.”*

**Katherine Miles, advisor to the InsuResilience Gender Working Group, said:**

*"This report relates compelling evidence that women and men face different climate and disaster risks and vulnerabilities. People centred metrics are crucial to accelerating progress towards the Sustainable Development Goals. To ensure risk prevention and resilience programmes are gender-responsive, the report shows the value of gender-information and sex-disaggregated data.*

*Empowering more women in technical and leadership positions will be key to generate and apply these insights: from national climate and disaster risk planning to the design, implementation and regulation of all types of risk transfer mechanisms."*

**ENDS**

**Notes to editors  
About the IDF**

The IDF is a public/private partnership led by the insurance industry and supported by international organisations. The IDF was first announced at the United Nations Conference of the Parties (COP21) Paris Climate summit in 2015 and was officially launched by leaders of the United Nations, the World Bank and the insurance industry in 2016.

[www.insdevforum.org](http://www.insdevforum.org)

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