

PRESS RELEASE

Insurance Development Forum Reports on 2020, its Five Year Anniversary, with Review of Delivery and Transformation

Denis Duverne, Chairman of the IDF and of AXA, shares his views on 2020 and outlook for 2021

London, 26 January, 2021: The Insurance Development Forum (IDF), a public/private partnership led by the insurance industry and with the UN, World Bank and other international organisations from the public sector as members, is pleased to release its 2020 in Review report outlining the progress of its Working Groups during a year of operational transformation, action and delivery for the increasingly global and influential organisation.

2020 was a milestone year, marking five years since the IDF was founded. Accordingly, the annual report details a timeline of progress to date and the key strategic priorities going forward. Amidst the backdrop of unprecedented challenges, during which systemic risk was demonstrated and understood more clearly than ever before, the IDF used 2020 to build on the commitments and announcements of 2019 to launch full programmes of work.

Key developments for the 12 months to 31st December 2020:

Operationally, the IDF secured funding from private sector members for risk modelling infrastructure work which will play a key role in helping developing countries to better understand and own their risks and integrate effective risk management into their financial planning.

The Tripartite Agreement signed at the end of 2019 between the IDF, United Nations Development Programme and the German Federal Ministry for Economic Cooperation and Development (BMZ) committed the IDF to deliver technical assistance and risk financing solutions to 20 countries by 2025.

The Tripartite Agreement will contribute significantly to the InsuResilience Global Partnership's Vision 2025 which sets out to provide 500 million people with risk financing solutions by 2025. During 2020, the selection of target countries was completed and the engagement and Programme implementation phase began, with participation from more than 60 re/insurance experts from 10 different global re/insurers.

For the Tripartite Programme, the BMZ committed €20 million to projects and €10 Million through the InsuResilience Solutions Fund (ISF), with insurance industry members committed to co-investing. Going into execution, the Tripartite Programme received grant funding from ISF for the landmark public-private project in Peru to develop a new sovereign-level insurance program

protecting public schools against natural disasters, while the IDF's insurance partners have committed to providing up to US\$5 billion in insurance capacity.

The IDF also completed the first phase of work under the new partnership with the United Nations Office for the Coordination of Humanitarian Affairs (UN OCHA) on anticipatory action and forecast-based financing which is emerging as a key theme in the race to address climate change and its impact on the most vulnerable.

Developing the IDF as an organisation

Organisationally, the IDF's membership continued to expand globally. Hiroshi Matano, Executive Vice President of the World Bank Group's political risk insurance arm, the Multilateral Investment Guarantee Agency (MIGA), was appointed as IDF Co-Chair; while the IDF Steering Committee welcomed He Chunlei, Vice Chairman & President of China Re Group; Ken Mungan, Chairman of Milliman; Jurgen Zattler, Director General, BMZ; and Amanda Blanc, CEO of Aviva.

The IDF also established itself as an independent legal entity and was formally incorporated as the Insurance Development Forum Limited.

In addition to the core Working Groups, and following a proposal by Michel Liès (Chairman, Zurich Plc), the IDF Steering Committee approved the establishment of a dedicated IDF Disaster Risk Reduction (DRR) sub-committee in September 2020.

It is widely accepted that the goals of the DRR agenda and the UN Sendai Framework for Disaster Risk Reduction are closely aligned, and the Sendai framework was a key starting point for the founding of the IDF.

This has been reflected for a number of years by the IDF's partnership with UNDRR. To take these efforts to the next level, the committee, led Co-Chaired by Zurich Plc and UNDRR, and supported by Mercy Corps and the London School of Economics, will explore the role of the industry in aligning IDF's ongoing work even more closely with the DRR space.

It maintained its focus on climate and disaster risk, while also responding to the challenges of COVID19 by formally assessing pandemic risk through the lenses of each Working Group focus.

Public Good Publications

The IDF delivered two important thought leadership public good publications during 2020. It published the White Paper *Technology and Innovation: Tools to help close the Protection Gap in Microinsurance Markets* demonstrating the power of innovation and technology in closing the protection gap at micro-level. Additionally, the *Development Impact of Risk Analytics* report was launched together with an ongoing campaign, demonstrating the importance of risk insight as a foundation for sustainable development, and how access to risk understanding can – and should – be accelerated.

Denis Duverne, IDF Steering Committee Chair and Chairman of the Board at Axa, said:

“The IDF has had its most ambitious year yet, despite the immense challenges faced across the world in the context of the COVID-19 pandemic. None of this would be possible without the drive, determination and commitment of our partners. I wish to thank all the members, partners and supporters of this remarkable public-private institution.

The need to build greater resilience for vulnerable people against disasters and crises has never been more tangibly demonstrated than in 2020. The COVID-19 pandemic has exposed the weaknesses of current Disaster Risk Financing (DRF) systems with absolute clarity.

The IDF is uniquely positioned to be part of these vital conversations, bringing public and private sectors together to enhance the understanding of pandemic risk. With this said, the climate crisis has not dissipated in the face of the pandemic.

It is clear that the parallels between the pandemic and the climate crisis are entirely relevant to the work of the IDF: the global nature of impact of both, the systemwide socio-economic damage caused by both, and most poignantly, the disproportionate impact of both crises on poorer, more vulnerable people.

As we prepare for the 2021 United Nations Climate Change Conference (COP26) our message is clear: the transition to a more climate-resilient world must happen now. The IDF’s key focus remains on building resilience for climate-vulnerable nations and actors. Now more than ever, we are in the spotlight to drive real, systemic change.”

Ekhosuehi Iyehen, IDF Secretary General, said:

“After an undoubtedly challenging 2020 for global resilience, the IDF has achieved tangible and visible results and laid the foundations for a year of further action in 2021. In particular, the start of the IDF Peruvian Public Schools project marks the first country execution under the Tripartite Agreement - this project is a key proof of concept and also sets the blueprint for securing other public assets, such as hospitals, bridges and roads, as well as insuring agricultural output in developing countries in the future.

But much work remains. The wider world beyond the insurance sector is little further ahead in having the tools, access and capabilities necessary to understand current, let alone future climate and systemic risks. We will continue to pursue action and investments involving our core open access risk modelling agenda to deliver the scale and scope of capabilities urgently required to improve resilience for exposed communities and sectors. 2021 will also see the IDF work to broaden the insurance sector’s ambition and global scope in line with the needs of the COP26 Private Finance Strategy.

There is a need for a public private partnership to close the protection gap. Without public sector commitment, government engagement and the appropriate governance at the national and multilateral level, the industry is not capable of providing the solutions that are needed.

The IDF is committed to ensuring that the insurance industry plays its part in the transition to a more resilient and fair world - and 2021 will see us continue to work with our partners to



leverage the technologies, expertise and financial mechanisms available to the insurance industry to enable the world's most disaster vulnerable governments, economies and populations to enhance risk understanding and build resilience.”

[Access the IDF 2020 in Review report here.](#)

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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. [4www.insdevforum.org](http://www.insdevforum.org)

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