The G7 Research Group at the Munk School of Global Affairs and Public Policy at Trinity College in the University of Toronto presents the

2018 Charlevoix G7 Interim Compliance Report

10 June 2018 — 10 December 2018

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“We have meanwhile set up a process and there are also independent institutions monitoring which objectives of our G7 meetings we actually achieve. When it comes to these goals we have a compliance rate of about 80%, according to the University of Toronto. Germany, with its 87%, comes off pretty well. That means that next year too, under the Japanese G7 presidency, we are going to check where we stand in comparison to what we have discussed with each other now. So a lot of what we have resolved to do here together is something that we are going to have to work very hard at over the next few months. But I think that it has become apparent that we, as the G7, want to assume responsibility far beyond the prosperity in our own countries. That’s why today’s outreach meetings, that is the meetings with our guests, were also of great importance.”

Chancellor Angela Merkel, Schloss Elmau, 8 June 2015

G7 summits are a moment for people to judge whether aspirational intent is met by concrete commitments. The G7 Research Group provides a report card on the implementation of G7 and G20 commitments. It is a good moment for the public to interact with leaders and say, you took a leadership position on these issues — a year later, or three years later, what have you accomplished?

Achim Steiner, Administrator, United Nations Development Programme, in G7 Canada: The 2018 Charlevoix Summit
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“We will explore broadening disaster risk insurance coverage, including through global and regional facilities, such as the InsuResilience Global Partnership, to extend high-quality insurance coverage to vulnerable developing countries and beneficiaries in need and to encourage new types of insurance products for emerging risks.”

Charlevoix Blueprint for Healthy Oceans, Seas and Resilient Coastal Communities

<table>
<thead>
<tr>
<th>Country</th>
<th>Lack of Compliance</th>
<th>Partial Compliance</th>
<th>Full Compliance</th>
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</thead>
<tbody>
<tr>
<td>Canada</td>
<td>0</td>
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<td></td>
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<tr>
<td>France</td>
<td>−1</td>
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<td></td>
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<tr>
<td>Germany</td>
<td>−1</td>
<td></td>
<td>+1</td>
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<tr>
<td>Italy</td>
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<td></td>
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<tr>
<td>Japan</td>
<td>0</td>
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<tr>
<td>United Kingdom</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>−1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>European Union</td>
<td>0</td>
<td></td>
<td></td>
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<tr>
<td>Average</td>
<td>−0.25</td>
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Background

A report by the International Panel on Climate Change states that “a changing climate leads to changes in the frequency, intensity, spatial extent, duration, and timing of extreme weather and climate events, and can result in unprecedented extreme weather and climate events.” While it is key to mitigate and reduce the impacts of climate change, adaptation and resilience are also needed to respond to the effects of climate change. This is particularly true for countries vulnerable to the effects of climate change, who will be disproportionately impacted by climate-induced risks of disaster.

When vulnerable countries face disasters, reactive management results in the diversion of developmental finance. Disaster risk insurance prevents this by “strengthening disaster preparedness, rapid response, and recovery.” An example of such global initiatives is the InsuResilience Global Partnership for Climate and Disaster Risk Finance and Insurance Solutions. This partnership was born out of the 2015 G7 Climate Risk Insurance Initiative launched at the Elmau Summit in 2015. The partnership includes G20 countries and V20 (Vulnerable 20) nations, among other partners of this initiative. Created with the objective to “increase resilience amongst the most poor and vulnerable people,” the InsuResilience Global Partnership works with inter-sectoral members in “civil society, international organizations, the private sector, and academia.” An example of InsuResilience’s recent work is its response to Hurricane Irma and Maria. InsuResilience

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worked with the Caribbean Catastrophe Risk Insurance Facility to provide USD55 million to ten Caribbean countries to address the destruction resulting from Hurricane Irma and Maria.1843

At the G7 Elmau Summit in 2015, G7 members agreed to increase direct insurance coverage by 400 million people in the most vulnerable developing countries by 2020 through existing risk insurance facilities.1844 This Climate Risk Insurance Initiative was further articulated in an annex to the summit communiqué, which stated the overall objective of the measure — to “stimulate the creation of effective climate risk insurance solutions and markets and the use of insurance-related schemes for people and assets in risk in poor and vulnerable developing countries … enabl[ing] climate change adaptation and contrib[uting] to enhancing economic growth, poverty reduction, and climate resilience.”1845 The G7 Research Group measured compliance with the Elmau commitment to “… intensify … support particularly for vulnerable countries’ own efforts to manage climate change related disaster risk.” The compliance report found an average compliance score of +0.63 or 81 percent.1846

At the G7 Ise Shima Summit in 2016, G7 members were “ready to further promote the relevant initiatives on climate risk insurance … such as InsuResilience.”1847 However, there was no mention of climate risk insurance in the Taormina summit communiqué.

In June 2018, the G7 Charlevoix summit’s commitment to disaster risk insurance was articulated in the Charlevoix Blueprint for Healthy Oceans, Seas and Resilient Coastal Communities, which was also endorsed in the summit communiqué by all G7 members.1848,1849 This places disaster risk insurance as part of a broader G7 commitment to reduce vulnerability to climate change, recognizing that climate change plays a role in the economic, social and environmental well-being of the planet. This commitment at the Charlevoix summit builds on the previous commitment at Elmau by encouraging new types of insurance products, specifying high-quality insurance coverage, and by not limiting action to existing initiatives.1850

**Commitment Features**

At the G7 Charlevoix summit in June 2018, G7 leaders pledged to “explore broadening disaster risk insurance coverage, including through global and regional facilities, such as the InsuResilience Global Partnership, to extend high quality insurance coverage to vulnerable developing countries and beneficiaries in need and to encourage new types of insurance products for emerging risks.”

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In this commitment, “explore” is understood as “to investigate, study, or analyze,” which indicates a collective commitment among the G7 to examine and look into enhancing disaster risk insurance coverage. Rather than a commitment that promises specific resources or a target increase, this commitment should be understood as one of learning, inquiry, and detailed discussion.1851 Thus, this commitment does not bind G7 members to act to increase insurance coverage — it merely requires G7 members to take investigative efforts and demonstrate such explorative actions publicly, according to compliance assessment methodology.1852 Examples of such exploration can include but are not limited to: publishing reports, proposals, or recommendations; as well as participation or leadership in discussions about and/or the commitment of resources towards disaster risk-related insurance.

In the text of the commitment, “broadening” is defined as actions to widen or “expand to encompass more people or things.”1853 “Disaster risk insurance” is a form of disaster risk financing. According to the United Nations Development Programme, “disaster risk insurance schemes cover — against a premium — the costs incurred by the insured entity from extreme weather and natural disasters (such as earthquakes or floods). In the event of extreme weather and natural disasters, the insurer refunds a percentage of the costs incurred. Insurance schemes are widely used to increase the resilience of individuals, companies and public entities to external shocks and reduce their future expenditures in case of a disaster.”1854 Coverage is defined as “the proportion of a population needing an intervention who receives it. Coverage is influenced by supply (provision of services) and by demand from people in need of services.”1855

The commitment states two goals in the G7’s exploration to broaden disaster risk insurance coverage. The first is to “extend high-quality coverage to vulnerable developing countries and beneficiaries in need” and the second is to “encourage new types of insurance products for emerging risks.” Any form of exploration in disaster risk-related insurance with the two aforementioned goals are considered for compliance.

The first part of the commitment sets the target audience of high-quality insurance coverage, namely vulnerable developing countries. Thus, actions that count toward compliance must have an explicit focus on aiding emerging economies and/or countries that are vulnerable to the impacts of climate change. Seeing that this commitment was made in the Charlevoix Blueprint for Healthy Oceans, Seas and Resilient Coastal Communities, intended “beneficiaries in need” of such disaster risk insurance coverage can and should include coastal communities and/or communities affected by marine health; or residents of developing countries and communities vulnerable to the effects of climate change. Notable examples of such “beneficiaries in need” include small island developing states.1856

The first part of this commitment is also qualified by the phrase “including through global and regional facilities.” “Including” expresses the G7’s collective intent that both facilities at a regional and global level must be engaged in this process of exploration. In other words, evidence of working with both types of facilities is necessary to score compliance in this section of the commitment. The

1852 Compliance Coding Manual for International Institutional Commitments, G7 and G20 Research Groups (Toronto) 7 May 2018. Access Date: 30 August 2018.
1855 Compliance Coding Manual for International Institutional Commitments, G7 and G20 Research Groups (Toronto) 7 May 2018. Access Date: 30 August 2018.
InsuResilience Global Partnership is referenced in the commitment as an example of disaster risk financing. It is noteworthy that the text of the commitment, “such as,” implies that the use of InsuResilience Global Partnership is encouraged but not mandatory to achieve full compliance. Other examples of global disaster risk financing institutions aside from InsuResilience include the Disaster Risk Financing and Insurance Program operated by the World Bank; or the High-Level Advisory Board on the Financial Management of Catastrophic Risks and the Insurance and Private Pensions Committee at the Organisation for Economic Co-operation and Development.\textsuperscript{1857,1858}

Thus, compliance in the first part of this commitment means that G7 members ought to demonstrate investigation in extending disaster risk insurance coverage to those most affected by climate change-induced developmental challenges, explicitly through both global and regional partners. Because the text of the commitment explicitly references the InsuResilience Global Partnership, member compliance with this part of the commitment should prioritize its involvement in this partnership. As referenced by the wording of the commitment, InsuResilience Global Partnership qualifies as both a global and regional facility, and would thus qualify the threshold for compliance with this portion of the commitment.

The second part of the commitment refers to encouraging new insurance products of emerging risks. Thus, G7 members must act to support the development of innovative insurance schemes, especially insurance products that target the changing risks facing coastal or vulnerable communities. It is important to note that “encourage” “does not imply strong measurability in the commitment. It should be taken as a soft commitment where no concrete action is to be taken.”\textsuperscript{1859} “Emerging risks” are defined as “risks that are known to some degree but are not likely to materialize or have an impact for several years; … [and] often very difficult to quantify but will have far-reaching impacts.”\textsuperscript{1860} Therefore, actions that count towards this part of the commitment include but are not limited to working with private sector actors to offer new insurance products, consulting developing countries about their insurance needs, and investing in research and learning practices in the field of disaster risk insurance coverage etc.

Furthermore, the commitment specifies the role of both global and regional facilities in exploring disaster risk insurance coverage. Based on the text of the commitment, the phrase “global and regional facilities” also qualifies this second part of the commitment. Thus, the commitment intends for G7 members to fulfill both global and regional-level participation in both the former and latter portions of the commitment, and to score full compliance.

In summary, the commitment outlines two instruments and two outcomes for G7 action:

1. Explore broadening disaster risk insurance coverage through global [insurance] facilities such as the InsuResilience Global Partnership to extend high-quality insurance coverage to vulnerable developing countries and beneficiaries in need

2. Explore broadening disaster risk insurance coverage through regional [insurance] facilities such as the InsuResilience Global Partnership to extend high-quality insurance coverage to vulnerable developing countries and beneficiaries in need


\textsuperscript{1859} Compliance Coding Manual for International Institutional Commitments, G7 and G20 Research Groups (Toronto) 7 May 2018. Access Date: 30 August 2018.

\textsuperscript{1860} Taking a Strategic Approach to Emerging Risks, NC State Poole College of Management (Raleigh) 22 April 2016. Access Date: 30 August 2018. https://erm.ncsu.edu/library/article/taking-a-strategic-approach-to-emerging-risks
3. Explore broadening disaster risk insurance coverage through global [insurance] facilities such as the InsuResilience Global Partnership to encourage new types of insurance products for emerging risks.

4. Explore broadening disaster risk insurance coverage through regional [insurance] facilities such as the InsuResilience Global Partnership to encourage new types of insurance products for emerging risks.

For a full compliance score of +1, the G7 member must explore most of the four dimensions of this commitment, defined as three or more out of four of the aforementioned combinations of instruments and outcomes. It is key to note that the G7 member does not have to concretely act to deliver disaster risk insurance — explorative and investigative gestures are the foundation of this commitment.

For partial compliance, the G7 member will receive a score of 0 for taking actions in two out of the four aforementioned areas. Alternatively, if the G7 member has demonstrated concrete exploration in two areas, but actions weaker than merited by the term “exploration” in a third area (such as the verbal declaration of support in the absence of policy action), such scenarios would also be scored partial compliance, or 0.

Action in less than two of the aforementioned four areas will lead to a non-compliance score of −1, which means the G7 member failed to comply with this commitment.

**Scoring Guidelines**

<table>
<thead>
<tr>
<th>Score</th>
<th>Description</th>
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<tbody>
<tr>
<td>−1</td>
<td>The G7 member explores broadening disaster risk insurance coverage in two or less of the four areas of the commitment: 1) extend high-quality insurance coverage to vulnerable developing countries and beneficiaries in need via global facilities, 2) extend high-quality insurance coverage to vulnerable developing countries and beneficiaries in need via regional facilities, 3) encourage new types of insurance products for emerging risks via global facilities, and 4) encourage new types of insurance products for emerging risks via regional facilities.</td>
</tr>
<tr>
<td>0</td>
<td>The G7 member explores broadening disaster risk insurance coverage in two of the four aforementioned areas of the commitment.</td>
</tr>
<tr>
<td>+1</td>
<td>The G7 member explores broadening disaster risk insurance coverage in three or more of the four aforementioned areas of the commitment.</td>
</tr>
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Authors: Alexandra Witt & Angela Min Yi Hou  
Compliance Director: Tacye Hong  
Lead Analyst: Clara Cesira Geddes

**Canada: 0**

Canada has partially complied with its commitment to exploring broadening disaster risk insurance coverage, including through global and regional facilities, such as the InsuResilience Global Partnership, to extend high-quality insurance coverage to vulnerable developing countries and beneficiaries in need and to encourage new types of insurance products for emerging risks.

On 10 June 2018, Prime Minister Justin Trudeau announced that Canada will invest CAD 100 million in supporting the expansion of Climate Risk Insurance coverage for countries vulnerable to the effects of climate change, including small island developing states in the Caribbean.\(^{1861}\)

On 5 September 2018, International Development Minister Marie-Claude Bibeau announced that the government will allocate CAD 9.25 million over the next three years to rebuild infrastructure such as primary schools in Dominica and pay the next two years of Dominica’s Caribbean Catastrophe Risk Insurance Facility premium. This will be implemented with the Caribbean Development Bank to strengthen Dominica’s disaster recovery and resilience.

On 26 November 2018, Minister Bibeau announced that 70 percent of the CAD100 million pledge for disaster risk insurance in vulnerable countries from the 2018 G7 summit has been allocated to Caribbean island territories. Moreover, she announced an additional CAD20 million for the Canada-Caribbean Resilience Facility at the World Bank. The federal government is working with Caribbean island territories to support the development of disaster risk facilities in the Caribbean.

The federal government has partially complied with this commitment. With regards to the first half of this commitment, Canada has explored broadening disaster risk insurance coverage through regional and international instruments, such as the Caribbean Development Bank and the World Bank, to extend high-quality insurance coverage to vulnerable developing countries and beneficiaries in need. However, Canada has not encouraged new types of insurance products on a global or regional scale, covering two dimensions of the four-part commitment.

Thus, Canada receives a score of 0.

Analyst: Abdullabi Abdi

France: −1

France has failed to comply with its commitment to exploring broadening disaster risk insurance coverage, including through global and regional facilities, such as the InsuResilience Global Partnership, to extend high-quality insurance coverage to vulnerable developing countries and beneficiaries in need and to encourage new types of insurance products for emerging risks.

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On 28 June 2018, Minister for the Ecological and Inclusive Transition Nicolas Hulot recognized islands that are at risk of flooding due to rising sea levels and advocated for setting more ambitious targets regarding climate change.\textsuperscript{1867}

On 25 September 2018, in his speech at the United Nations General Assembly, President Emmanuel Macron acknowledged the importance of helping those living in regions most affected by climate change.\textsuperscript{1868}

On 26 September 2018, at the One Planet Summit, France launched the Joint Pacific Initiative for Biodiversity, Climate Change, and Resilience, alongside the European Union, Australia, and New Zealand. The initiative focuses on supporting Pacific Island countries and territories in the protection, restoration, and enhancement of biodiversity, in order to reinforce the resilience of their socio-ecological systems and facilitate their adaptation to the impacts of climate change.\textsuperscript{1869} France allocated EUR10 million to this initiative, which will also subsidize projects relating to the environment, ocean governance, and climate change adaptation.\textsuperscript{1870}

On 29 October 2018, France and China launched a joint Earth Observation satellite. The goals of the China-France Oceanography satellite include global marine monitoring, risk reduction, disaster management, and recording the effects of climate change.\textsuperscript{1871} Through the China-France Oceanography satellite and Joint Pacific Initiative for Biodiversity, Climate Change, and Resilience, the government emphasized its commitment to mitigating the effects of climate change by encouraging research in emerging risks and assisting Pacific Island countries to build resilience and adjust to the effects of climate change.

Despite the aforementioned actions, France has not taken any steps specifically pertaining to climate insurance. It has not encouraged the development of new insurance products or promote insurance against climate disasters in vulnerable countries. Therefore, France has not fulfilled any of the four dimensions of this commitment.

Thus, France receives a score of −1.

\textit{Analyst: Areej Malik}

\textbf{Germany: +1}

Germany has fully complied with its commitment to exploring broadening disaster risk insurance coverage, including through global and regional facilities, such as the InsuResilience Global Partnership, to extend high-quality insurance coverage to vulnerable developing countries and beneficiaries in need and to encourage new types of insurance products for emerging risks.


\textsuperscript{1869} Launch of the joint Pacific Initiative for Biodiversity, Climate Change and Resilience, European Commission (New York) 26 September 2018. Access Date: 5 December 2018.


On 9 July 2018, State Secretary of the Federal Ministry for Economic Cooperation and Development Martin Jaeger delivered a statement at the Global Insurance Forum in Berlin, where he announced Germany’s goal to insure 400 million more poor people against climate change by 2020. He also encouraged the insurance industry to work with the public sector to “develop insurance products that match client needs” and seek new markets and new products.

In August 2018, the Munich Climate Change Insurance Initiative published a discussion paper entitled “Climate Risk Insurance: Transparency, Participation, and Accountability: An overview assessment of regional risk pools,” commissioned by the Federal Ministry for Economic Cooperation and Development (BMZ) and funded by the InsuResilience. The paper explores and offers recommendations to key issues faced by three sovereign risk pools: the Caribbean Catastrophe Risk Insurance Facility, the Pacific Catastrophe Risk Assessment and Financing Initiative, and the African Risk Capacity.

On 19 September 2018, Germany was the first donor to the World Food Programme (WFP) and the African Risk Capacity’s new pilot climate risk financing mechanism, ARC Replica. The BMZ has committed EUR10 million to the WFP via public development bank KfW Bankengruppe throughout the year of 2019. ARC Replica is a product designed to expand climate risk insurance coverage and improve the quality of emergency humanitarian response in African countries that are prone to climate risks.

On 12 October 2018, in partnership with the government of the United Kingdom and the World Bank Group, Germany announced a USD145 million Global Risk Financing Facility (GRiF) to strengthen the financial resilience of countries vulnerable to climate and disaster risks. Over the next five years, the GRiF will provide financing for national disaster response mechanisms and programs, better allowing governments to implement effective insurance solutions.

On 8 November 2018, Germany committed EUR5 million to support the implementation of the Sendai Framework for Disaster Risk Insurance. This fund aims to help the United Nations Office

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for Disaster Risk Reduction achieve its mandate, which includes promoting mechanisms for disaster risk transfer and insurance for public and private investments.\textsuperscript{1879}

Germany continues to support and develop improved risk insurance mechanisms for climate-related disasters in vulnerable countries. It has provided support for the development and implementation of new insurance products and worked to broaden the discussion by publishing new research. Germany has fulfilled both the regional and global-level requirements of both parts of the commitment, thus complying with all four dimensions of this commitment.

Thus, Germany receives a score of +1.

\textit{Analyst: Stephanie Pak}

\textbf{Italy: -1}

Italy has failed to comply with its commitment to exploring broadening disaster risk insurance coverage, including through global and regional facilities, such as the InsuResilience Global Partnership, to extend high-quality insurance coverage to vulnerable developing countries and beneficiaries in need and to encourage new types of insurance products for emerging risks.

On 21–23 November 2018, Italy hosted 55 European countries for the 2018 European Forum on Disaster Risk Reduction. Prime Minister Giuseppe Conte highlighted the focus on protecting development and growth from disasters associated with climate change.\textsuperscript{1880} On 22 November 2018, a plenary session entitled “Making the economic case for disaster risk reduction,” led by the Norwegian Directorate for Civil Protection and the Italian Banking, Insurance and Finance Federation, addressed the role of the insurance sector as an “absorber of risk and provider of risk expertise.”\textsuperscript{1881, 1882} The Chair’s Communiqué emphasized that the implementation of the Sendai Framework for Disaster Risk Reduction 2015–2030, which includes promoting disaster risk insurance, should be accelerated with a deadline of 2020.\textsuperscript{1883, 1884} It also emphasized the crucial role of financial innovation, although without any mention of the exploration of new insurance-related developments.\textsuperscript{1885} The Declaration of Stakeholders also mentioned promoting and exploring investments in disaster resilience.\textsuperscript{1886}

Within the compliance period, Italy has not taken any steps to extend insurance coverage to vulnerable developing countries or further explore insurance products at the regional or global level. Therefore, Italy has complied with less than two of the four dimensions of this specific commitment.

\textsuperscript{1880} Italy to Host European Discussions on Disaster Losses, United Nations Office for Disaster Risk Reduction (Geneva, Brussels) 4 October 2018. Access Date: 20 December 2018. https://www.unisdr.org/archive/61027
Thus, Italy receives a score of −1.

**Analyst: Stephanie Pak**

### Japan: 0

Japan has partially complied with its commitment to exploring broadening disaster risk insurance coverage, including through global and regional facilities, such as the InsuResilience Global Partnership, to extend high-quality insurance coverage to vulnerable developing countries and beneficiaries in need and to encourage new types of insurance products for emerging risks.

On 21-22 June 2018, Japan hosted the Asia-Pacific Economic Co-operation Workshop on Financial Management of Public Assets against Disaster Risks, leading the discussion about insuring public assets against climate and disaster risks. Specifically, Japan emphasized the importance of collecting data to develop efficient insurance products.

On 4 August 2018, during the 19th meeting of the foreign affairs ministers of the Association of Southeast Asian Nations Plus Three (ASEAN+3) in Singapore, Foreign Minister Taro Kono recognized the importance of disaster risk financial products after the flooding disasters in Japan this past July. The government will explore building disaster resilience in Asian countries. Minister Kono reiterated Japan’s support for the Southeast Asia Disaster Risk Insurance Facility’s launch of a catastrophe risk insurance pool for Laos and Myanmar in 2019. This reiterates a commitment made at the 21st ASEAN+3 Finance Ministers’ Meeting in Manila, Philippines, on 4 May 2018.

Through the regional platforms of APEC and ASEAN+3, Japan has recognized the need to develop more efficient insurance products through data collection and private sector expertise, and it has committed to building disaster-related resilience in developing countries across Asia. However, Japan has not complied with this commitment on a global level. Therefore, Japan has complied with two parts of the four dimensions of this commitment using exclusively regional instruments.

Thus, Japan receives a score of 0.

**Analyst: Nammal Khan**

### United Kingdom: 0

The United Kingdom has partially complied with its commitment to exploring broadening disaster risk insurance coverage, including through global and regional facilities, such as the InsuResilience Global Partnership, to extend high-quality insurance coverage to vulnerable developing countries and beneficiaries in need and to encourage new types of insurance products for emerging risks.

On 15 June 2018, the Centre for Global Disaster Protection allocated GBP 2,025,000 to Risk Analytics, Research, and Monitoring & Evaluation. Based in London, this centre was developed by the Department for International Development (DFID) in July 2017 with the mandate to carry

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out financial analyses and assist developing countries with disaster planning. The centre is also supported by the government of Germany and the World Bank.

On 30 June 2018, the Challenge Fund called for proposals on disaster risk financing instruments. The fund is an initiative created by the DFID and Centre for Global Disaster Protection, along with the Global Facility for Disaster Reduction and Recovery and the World Bank. This call for proposals will allow for the development of new types of financial risk insurance products.

On 4 July 2018, the government announced measures to support British Overseas Territories in the Caribbean in the event of future hurricanes. In addition to humanitarian assistance, the government supported the inclusion of British Virgin Islands and Montserrat as new members in the Caribbean Catastrophe Risk Insurance Fund, in which DFID played a role since the fund’s inception.

On 11 July 2018, during the discussion on “Insurance for Global Development & Resilience” at the Global Insurance Forum, Senior Advisor in the Department for International Development Nicola Ranger recognized the importance of disaster risk insurance and the InsuResilience Global Partnership in helping governments manage risks.

On 11 July 2018, CEO Hector Ibarra announced that the DFID will be sponsoring Global Parametrics, a climate risk transfer start-up. Global Parametrics will participate in the testing of disaster risk insurance through the Natural Disaster Fund. This is a disaster hedge fund that will be receiving a GBP 25,000,000 investment from the DFID over a 20-year period starting in 2018.

On 12 October 2018, the UK, in partnership with the World Bank and the government of Germany, announced a USD 145,000,000 Global Risk Financing Facility (GRiF) to help vulnerable countries manage the financial impact of climate change and natural hazard-induced shocks. According to the World Bank, “over the next five years, the GRiF will provide financing to set up mechanisms such as national disaster insurance programs that can help channel money to people affected by

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disasters when they need it.” In collaboration with the GRiF, the UK’s Centre for Global Disaster Protection will provide technical assistance in developing, testing, and improving financial solutions.

As the governmental institution responsible for administering overseas aid projects, the Department for International Development has worked to broaden the coverage of the Caribbean Catastrophe Risk Insurance Fund and carry out global initiatives to develop new insurance products.

The United Kingdom has fulfilled the first half of this commitment exclusively through regional instruments and complied with the latter half of the commitment only through global facilities. Therefore, the United Kingdom has complied with this commitment in two of its four total dimensions, thus scoring partial compliance.

Thus, the United Kingdom receives a score of 0.

Analyst: Nammal Khan

United States: −1

The United States has failed to comply with its commitment to exploring broadening disaster risk insurance coverage, including through global and regional facilities, such as the InsuResilience Global Partnership, to extend high-quality insurance coverage to vulnerable developing countries and beneficiaries in need and to encourage new types of insurance products for emerging risks.

On 23 November 2018, the United States Global Change Research Program, an interagency panel consisting of thirteen federal agencies, published a report evaluating the risks of climate change in the US and in vulnerable communities. The report explores the impacts of climate change on American humanitarian aid, and includes a description of the success of American investments in Ethiopian agriculture, which provided farmers an index-insurance program that links “payouts to certain indexes of extreme weather.” This insurance proved beneficial to Ethiopian farmers in the case of 2015 droughts. It also states that “similar index insurance products are being developed through public-private partnerships across Africa, Asia, and Latin America.”

The US government has not extended insurance for climate-related incidents in vulnerable countries, through either regional or global facilities; nor has the US researched broadening the scope of such coverage through new types of insurance products.


\textit{Analyst: Abdullahi Abdi}

**European Union: 0**

The European Union has partially complied with its commitment to exploring broadening disaster risk insurance coverage, including through global and regional facilities, such as the InsuResilience Global Partnership, to extend high quality insurance coverage to vulnerable developing countries and beneficiaries in need and to encourage new types of insurance products for emerging risks.


On 26 September 2018, at the One Planet Summit, the EU participated in the launch of the Joint Pacific Initiative for Biodiversity, Climate Change, and Resilience, alongside France, Australia, and New Zealand. The initiative focuses on supporting Pacific Island countries and territories in the protection, restoration, and enhancement of biodiversity, in order to reinforce the resilience of their socio-ecological systems and facilitate their adaptation to the impacts of climate change.\footnote{Launch of the joint Pacific Initiative for Biodiversity, Climate Change and Resilience, European Commission (New York) 26 September 2018. Access Date: 5 December 2018. http://ec.europa.eu/clima/events/0124/calendar_en.htm#schedule}

On 5 December 2018, the EU participated in the 24th Conference of the Parties (COP) to the UNFCCC, where it discussed “Unleashing the potential for climate change action with blockchain and other disruptive technologies.”\footnote{Unleashing the Potential for Climate Change Action with Blockchain and Other Disruptive Technologies, COP24 Climate change Conference, EU Pavilion (Katowice) 5 December 2018. Access Date: 8 December 2018. http://ec.europa.eu/clima/events/0124/calendar_en.htm#schedule} During this side event, EU representatives and other delegates stated that utilizing better means of investment funds and bonds, as well as insurance, can lead to smarter methods of climate-risk reduction.\footnote{Unleashing the Potential for Climate Change Action with Blockchain and Other Disruptive Technologies, COP24 Climate change Conference, EU Pavilion (Katowice) 5 December 2018. Access Date: 8 December 2018. http://ec.europa.eu/clima/events/0124/calendar_en.htm#schedule} The discussion encouraged new types of insurance products for emerging risks globally.\footnote{Unleashing the Potential for Climate Change Action with Blockchain and Other Disruptive Technologies, COP24 Climate change Conference, EU Pavilion (Katowice) 5 December 2018. Access Date: 8 December 2018. http://ec.europa.eu/clima/events/0124/calendar_en.htm#schedule}
On 9 December 2018, during COP24, as a part of the steering body of the InsuResilience Global Partnership, the EU agreed to work on the vision of scaling up pre-arranged financing to assist vulnerable communities.\(^9\)

On 10 December 2018, the Director of Planet and Prosperity at the European Commission's Directorate-General for International Cooperation and Development Carla Montesi announced at COP24 that the EU will be joining the InsuResilience Global Partnership.\(^1\)

The discussion at COP24 regarding new types of insurance products and the EU’s membership in the InsuResilience Partnership reflect the EU’s compliance with the two goals of this commitment pertaining to global partnerships. While the EU currently co-funds three projects implemented by the Global Facility for Disaster Risk Reduction and the World Bank – the Central America Catastrophe Risk Programme, the Global Partnership on Disaster Risk Financing Analytics, and the Africa Disaster Risk Financing Initiative within the framework of the programme “Building Disaster Resilience in Sub-Saharan Africa” — no new actions were found within the compliance period.\(^1\)

Therefore, the EU has complied with this commitment in two of its four total dimensions.

Thus, the European Union receives a score of 0.

*Analyst: Kaylin Dawe*

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