

Covid-19 in development cooperation: instruments and experiences from responding to and preventing crises

Monday, 25th October 2021, 11:30 - 13:00 (CEST)



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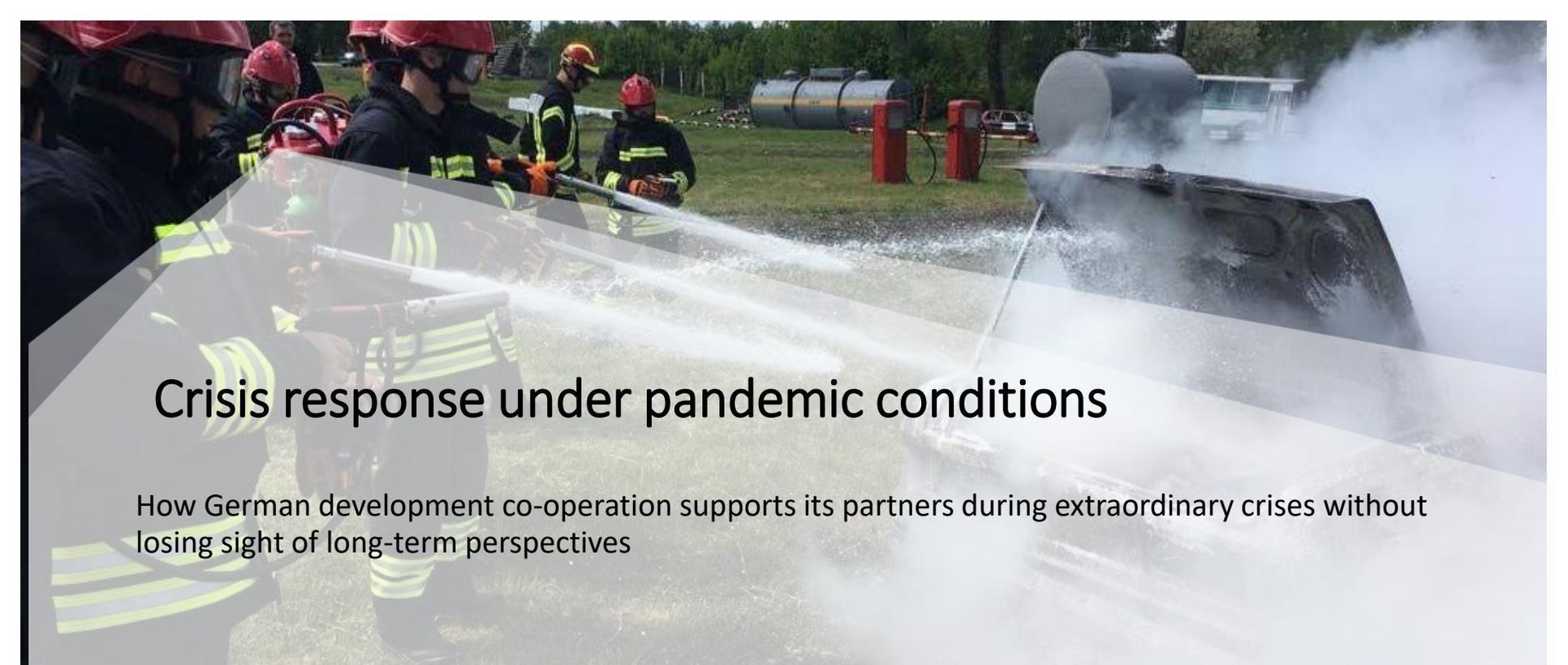
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A photograph of firefighters in full gear using high-pressure water hoses to extinguish a fire on a dark-colored car. The scene is outdoors on a grassy area with various fire equipment and tanks in the background. A semi-transparent white banner is overlaid on the image, containing the title and subtitle.

Crisis response under pandemic conditions

How German development co-operation supports its partners during extraordinary crises without losing sight of long-term perspectives

Project basics

Strengthening the capacities of state and communal emergency services in Eastern Ukraine

- Training
- Procurement
- Strategical and technical advisory

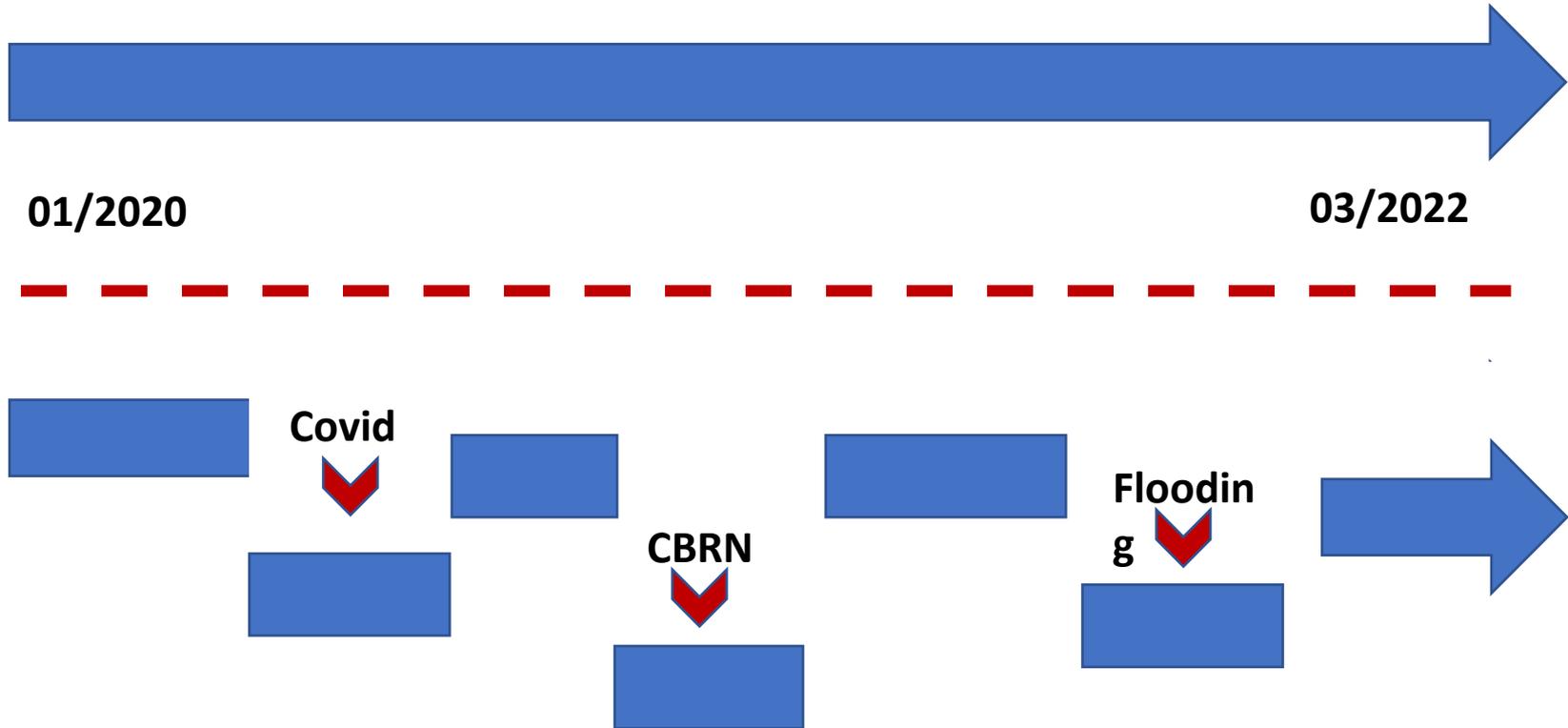


Our partners

- **DSNS – Ukrainian State Fireservice and disaster protection**
- **Pilot communities, Voluntary Fireservices**



Project timeline



How crises affected our project implementation

- Changes in operational planning
- Distancing / prohibition of meetings
- Travel restrictions
- Hygiene
- Delays in supply chains / budget flow
- Partner relations



What we did to cope with the crises

- Procurement of protection and disinfection equipment
- Production of 10.000 masks for partners
- Support of some intense care units with protection equipment



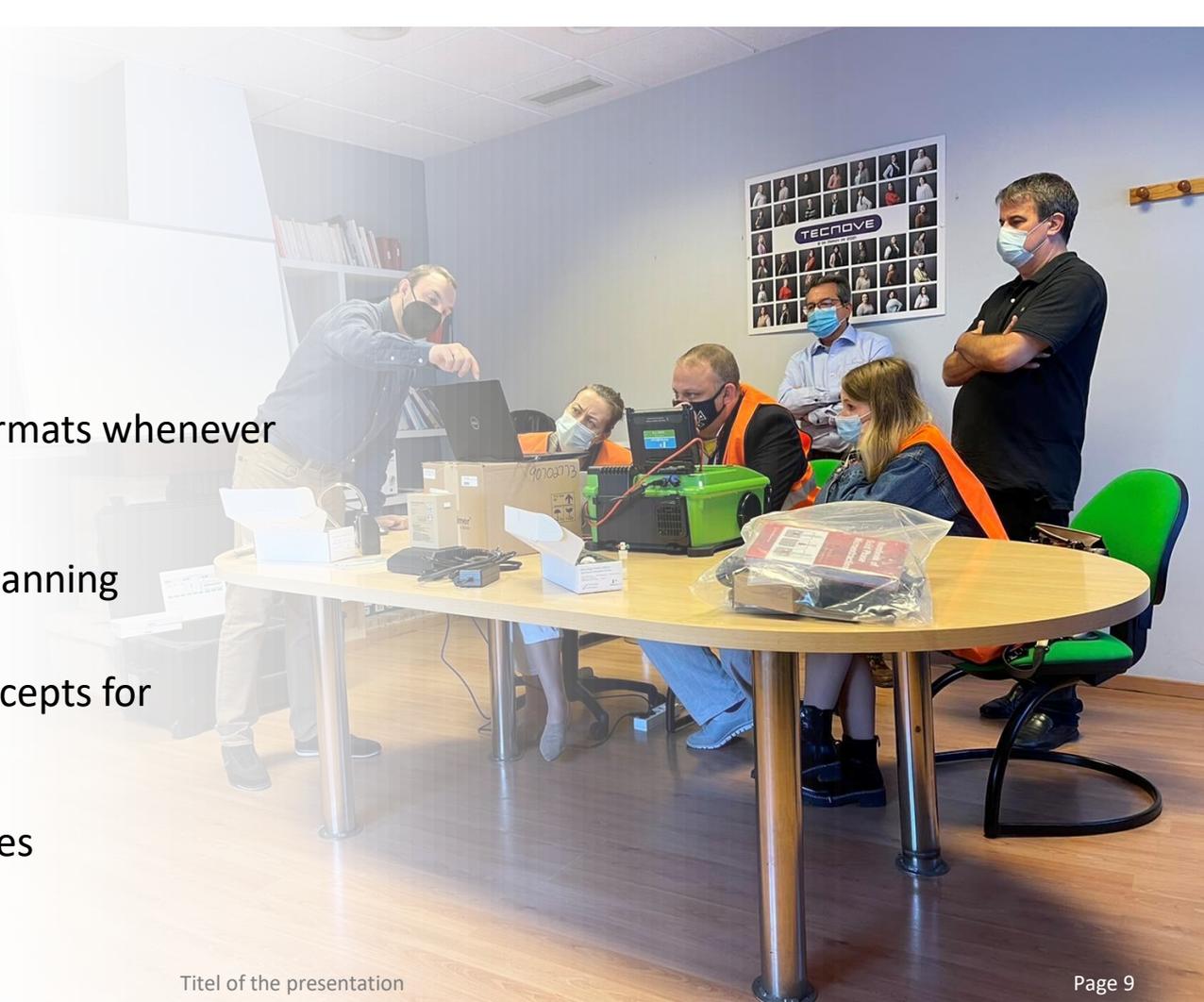
What we did to cope with the crises

- Rapid procurement of extinguishing equipment
- Rapid Procurement of dosimeters for ground forces



What we did to cope with the crises

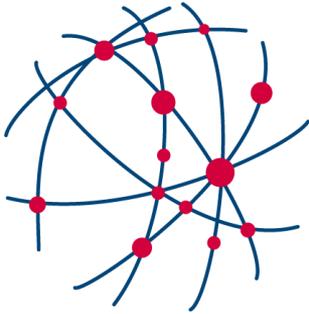
- Shift from offline to online formats whenever possible
- Adjustments in operational planning
- Implementation of safety concepts for meetings and business trips
- Adjustment of project activities





Lessons learned

- The impacts of a pandemia cannot be fully compensated
- We have to become much faster and more flexible
- Building structures and improving resilience becomes more and more important, but.....
- At the same time we should strengthen our ability to react on very short notice as we had to learn very painfully that reality does not care about our plans



GI:DRM

Global Initiative
Disaster Risk Management

Mareike Bentfeld

Fachtagung Katastrophenvorsorge | 25.10.2021

South Asia Confronts a Double Disaster: Cyclone and COVID-19

May 29, 2020 By Nambi Appadurai

THE CORONAVIRUS CRISIS

After Beirut Explosion, Lebanon Sees A Spike In Coronavirus Infections

September 2, 2020 · 2:50 PM ET

COVID-19 impact on tourism could deal \$4 trillion blow to global economy: UN report

COVID surge stirs unrest in parts of Latin America

Authorities face mounting anger in Paraguay, Argentina and Brazil, among other countries, as the pandemic takes its toll.

62% of households experienced having no food amid the COVID-19 pandemic — survey

By CNN Philippines Staff

Published Apr 30, 2021 5:56:59 AM

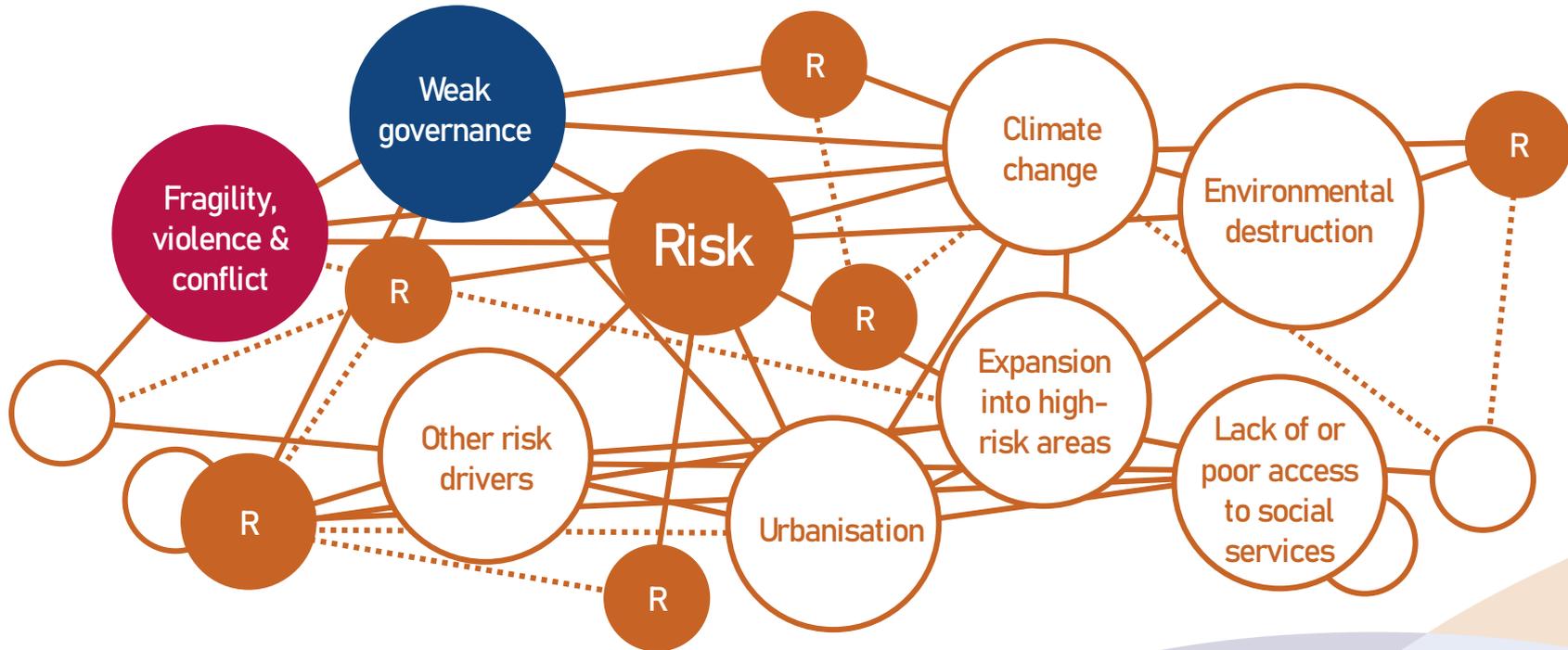


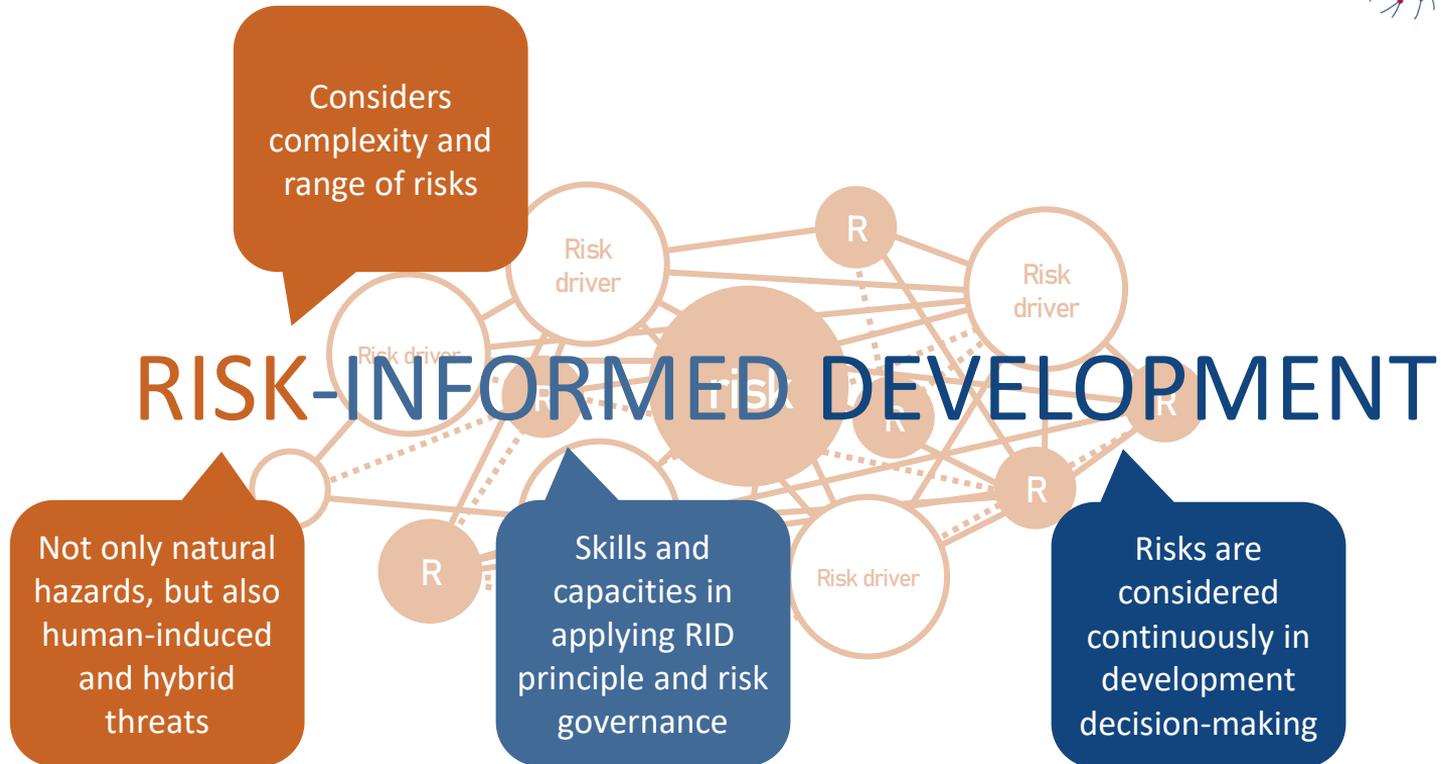
Responded to
after the
disaster



Typically
because of a
natural hazard

RISK DRIVERS & THE COMPLEXITY OF RISKS





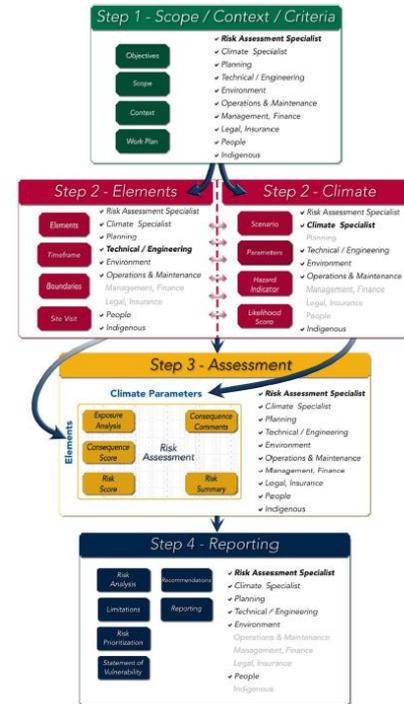
Health Infrastructure Risk Assessment in Georgia



Examples for risks to health care infrastructure:

- Electrical failure due to extreme heat
- Limited water supply due to drought
- Structural failure to building due to flooding
- Limited access to facilities due to road blockage

Social Aspects?



PIEVC
ASSESSMENT



german
cooperation
DEUTSCHE ZUSAMMENARBEIT

Implemented by

giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH



Global Initiative on Disaster Risk Management

Strengthening risk-informed development



Federal Ministry
for Economic Cooperation
and Development

develoPPP.de



giz

Allianz 

 **BIMA**



deve
Crisis prevention through budget policy awareness

Case - Urban Resilience in Accra

Matthias Range – Head of Unit “Disaster Risk Finance and Insurance” @giz

October 25th 2021



Mission



Enabling and leveraging Risk Management from the perspective of a city

Climate Risk Management – the concept



Prevent 
This phase comprises all the measures that help prevent or minimize possible damage from an event.

Recover 
After a natural extreme event hits, infrastructure and other parts of society must be rebuilt, so that people can resume their livelihoods as quickly as possible.

Respond 
This phase comprises all emergency measures aimed at saving human lives in the event of a natural disaster.



Retain & Transfer 
Residual risk can be transferred to third parties using financial instruments such as insurance.

Prepare 
Preparedness contains a complex set of activities such as setting up early warning systems, developing contingency plans, organising various activities such as stockpiling of equipment, and coordination and training as cross-cutting issues.



Overview



What?

Public-Private Partnership “**Developing risk management approaches for climate and health risks**”

How long?

01.01.2018 - 30.09.2021

Who and where?

- MediCount’s System and Clients in India and Pakistan
- BIMA’s Business Approach (DTC / Mhealth) in Ghana
- Mobile Insurance Regulation in Egypt, (Ghana, and) Morocco
- Industrial Parks, Morocco
- **GA East, GA West and AMA in GAMA, Ghana**

Funds?

Provided by the stakeholders

Who?

- Allianz X / MediCount Global Ltd.
- Allianz S.E.
- BIMA
- **Allianz RE**
- **GIZ**



Interests of the Partners



Allianz

- Showcase the opportunities and value of insurance in closing the protection gap
- Prepare the ground for innovative risk transfer solutions to contribute to risk reduction and to ensure financial sustainability
- Further develop the natural catastrophe insurance market

GIZ

- Develop integrated DRMs solutions for Urban settings
- Understand requirements for the use of Climate Risk Insurance Products for public assets
- Understand what cities need and can contribute to a national scheme
- Understand the interplay between public and private finance to enable DRM

NADMO

- **Ghana National Climate Change Master Plan: Action Programme for Implementation 2015/2020**
- **Support strategically Ghana's Cities to answer increasing extreme weather risks**
- **Connect National Schemes with local capacities**
- Be (again) at the edge of innovation and showcase the innovation power of Ghanaian People

Disaster Risk Finance – Step by Step



1 Risk Assessment		Exposure Definition
		Hazard Identification
		Risk Quantification
		Resilience Targeting
2 Disaster Risk Management Actions		Prevention
		Retention & Transfer
		Preparedness
		Response
		Recovery
3 Dimensions of Instrument Design		Risk Holder
		Purpose
		Timing
		Risk Level
4 Disaster Risk Finance Instruments		Taxonomy
5 Risk Management Strategy		Complementarity
		Risk Layering

1. **Risk Assessment:** Quantify risk and define resilience target to enable risk-informed action.

2. **DRM actions:** Design a DRM strategy and plan, which determines the respective actions in all five phases. Prioritization of actions should be based on a cost-benefit analysis.

3. **Dimensions of Instrument Design:** What is the capacity and need of the risk holder? What will funds be spent on? When is funding needed? What level of risk is being addressed?

4. Select appropriate **Disaster Risk Finance instruments.**

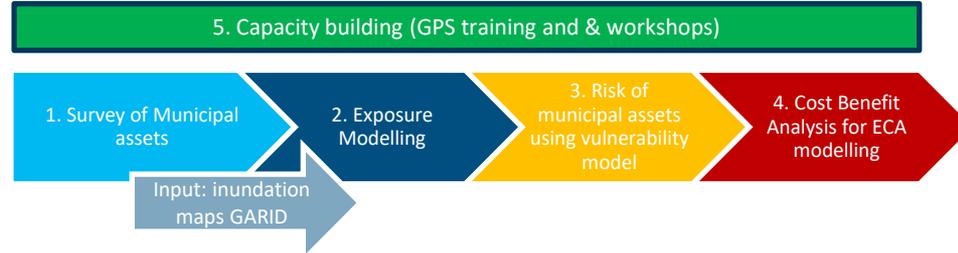
5. Combine Disaster Risk Finance instruments to create an efficient DRM strategy using a **risk layering approach.**

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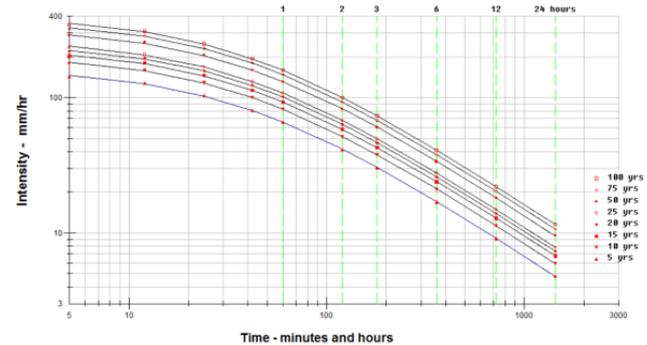
Risk Assessment – the Flood Model



Approach



Dynamic Maps



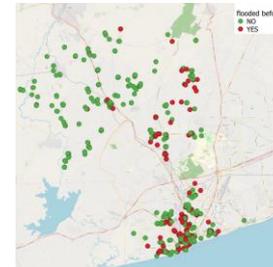
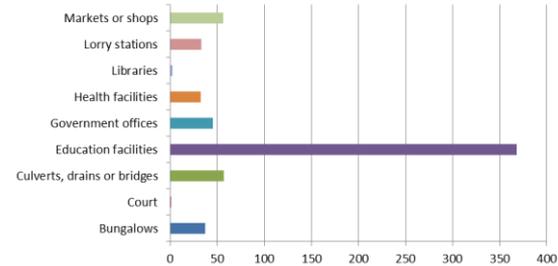
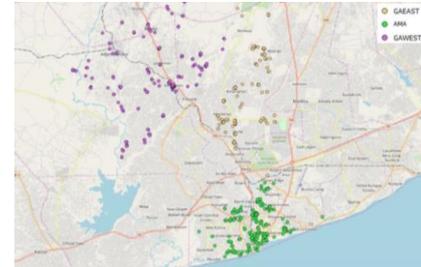
Risk Assessment – the Exposure Model



What do we have



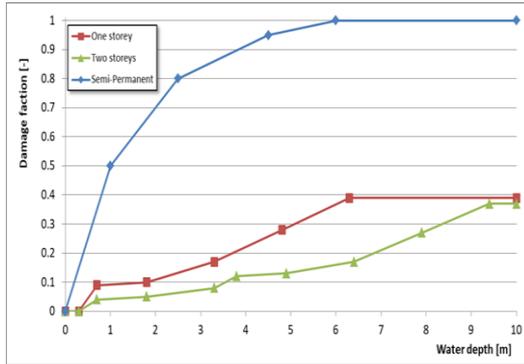
What is at risk



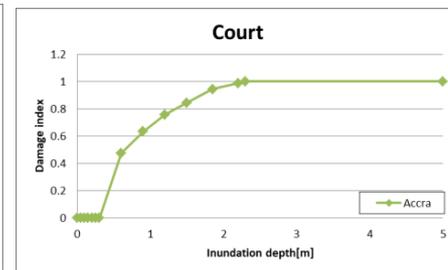
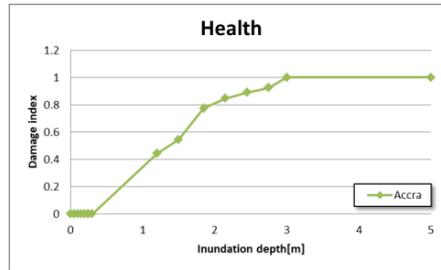
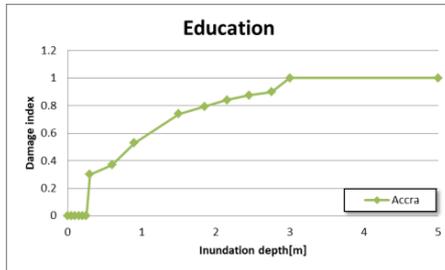
Risk Assessment – Vulnerability of Public Assets



Based on Quantitative and Qualitative Data



Vulnerability for social – economic sectors



The Roadmap for ICRM - Urban Resilience in Ghana



“We were saved by all that risk data, once we realized we’d forgotten to order sandbags.”

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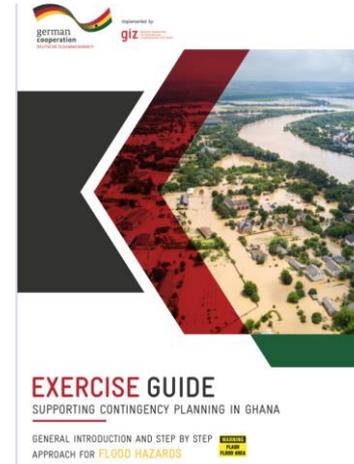
Contingency Plans / Monitoring System / Simulations



Contingency plans inform you who needs when what kind of money

→ If established it may be also possible to send the insurance pay-outs directly to them

The determine who is doing what when in an emergency scenario, reducing the impact



They offer a dramatic impact reduction potential.

→ Image you can connect the flood app with last minute emergency culvert cleaning?

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One Page – Ghana Case



MISSION



Prepare the ground for implementing **Risk Transfer Solutions for Public Infrastructure**



APPROACH



Modelling risk, exposure and vulnerability through an ECA and Contingency Planning

Reviewing existing and enhancing iDRM measures Improved mix of Risk Management Strategies, such as Microlocation Risk Reduction, Risk Profiles, Contingency Planning / Simulation, Waste Management etc.



Development of Infrastructure **Hybrid Insurance Products** for risk transfer

Improve of cities to finance measures, analysing additional sovereign options **fiscal and budget planning**



Broad **stakeholder participation** and risk layering

Communication of **EWS** to **authorities and public literacy**



PROBLEM



Suffers from **rain-related floods** almost every year.

Accra stands for unplanned urbanization, weak infrastructure but **motivated officials**.



Inefficient waste collection and disposal system.

Changing climate with more **intense rainfall events** compared with earlier decades.



Insufficient Data on Water run-off and Weather

Rapid expansion of **sealed-off surface**, weak drainage system.



EDGY

The **improved fiscal and budget planning**, as well as the budget analysis tool enables improving individual mix of risk management strategies, aligned to individual capacities, access and needs

Hybrid Insurance Product is fast in pay out, and solid due to indemnify approach of second trigger. 20% Extra-Payout for Relief work is also planned in.

EWS is planned to be connected with the contingency plan to trigger emergency action to **decrease premiums on insurance product** (planned)



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Insurance Product – Sandbox Approach



EXAMPLES OF PRODUCT COVERAGES AND PREMIUMS

WHAT WE OFFER?

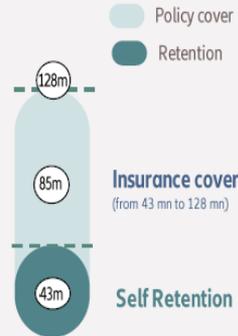
Indemnity based flood event cover for municipalities. It covers the losses of all insured assets after a severe single flood event via a claims payout

WHAT IS INCLUDED IN A PAYOUT?

Claims pay-out includes replacement costs of insured premises, unsecured inventories and 20 % buffer for emergency relief measures (examples below)

Example A: Full Cover w. lorry stations

- Policy starts paying out for flood event losses that occurs with a probability of 10 % in a year (loss return period is 1 in 10 yrs, this refers to a loss amount of 43m GHS)
- Payout is capped based on an event loss that occurs with a probability of 0.5% in a year (loss return period is 1 in 200 yrs, this refers to a loss amount of 128m GHS)



Estimated Target Price / Premium ~ 3,000,000 GHS per year

Example B: Limited Cover w/o lorry stations

- Lorry stations are highly exposed and vulnerable to flooding in AMA
- Modelled losses excluding lorry stations are much lower
- Required cover to compensate for event losses according to example A are much lower.



Estimated Target Price / Premium ~ 2,050,000 GHS per year

Premium are highly impacted by the protection measures and the defined limit for insurance cover. Both of these parameters can be adapted based on the municipality's needs

The Budget Cycle



The 4 generally recognised stages in a budget cycle in public expenditure management are as follows:

- **Stage 1: Policy development and planning:**
Review existing policies and plans, update them and design new ones where necessary;
- **Stage 2: Budget preparation and approval:**
Project revenue and allocate expenditure in the annual budget law;
- **Stage 3: Budget execution:**
Implement expenditure according to the budget;
- **Stage 4: Monitoring and evaluation:**
Monitor and evaluate the use of funds and measure of results.

Challenge = how to assess budgeting in a municipality (i.e., need to look at all 'stages' in the budget cycle) to determine if they support or hinder DRM.

The Budget Cycle Assessment



Budget stage	Types of indicators (still to be developed, not exhaustive)
Policy development & planning	Is DRM a policy priority? Are risk assessments done? Is there a DRFS? Are all stakeholders involved in developing DRM policy and the DRFS?
Budget preparation & approval	Is DRM prominent in budget guidelines? Are DRF tools included in the budget? How is DRM costed? What has been allocated in the budget?
Budget execution	Are budgets spent as planned? Do finance systems properly capture expenditure data? Are procurement systems adequate?
Monitoring & evaluation	Is information and reporting on progress adequate? Are evaluations of DRM done periodically?
Budget performance indicators	Are budgets 'credible'? Is budgeting 'transparent'? Are internal controls adequate? Do internal & external audits exist?
Financing of DRM	What are funding sources for municipalities? Is there DRM financing for risk reduction, retention & transfer? Where from? Where are the gaps?

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