

DISASTER RISK FINANCE: Protecting Livelihoods and Development

ENDING POVERTY AND BOOSTING SHARED PROSPERITY



FINANCIAL COSTS ARE STILL INCREASING

- ECONOMIC GROWTH
- ASSET CONCENTRATION
- URBANIZATION
- CHANGING CLIMATE

AVERAGE DIRECT FINANCIAL LOSS During the past 10 years **US\$165 BILLION**

Losses exceeding \$100 billion in 6 of these years

OFFICIAL DEVELOPMENT ASSISTANCE in 2013 **US\$135 BILLION**



GOVERNMENT

FARMERS / HERDERS

HOME / BUSINESS OWNERS

THE POOREST

Thailand
Floods, 2011

DAMAGE & LOSS

US \$46.5 BILLION
or more than 13% of GDP

Kenya
Drought, 2008 - 2011

LIVESTOCK LOSS

US \$9.1 BILLION
of losses suffered by livestock owners

Chile
Earthquake, 2010

PROPERTY DAMAGE

US \$500 MILLION
in damages had to be absorbed by companies with no insurance

Ethiopia
Drought

IMPACT

Children UNDER AGE FIVE
are 36% more likely to be malnourished in drought-prone areas

SOLUTIONS FOR COUNTRIES
To Improve their Financial Resilience

Financial Protection for Governments

US\$3.4 BILLION in risk financing solutions provided by the World Bank Group to vulnerable countries, often leveraging financial markets.

Agricultural Insurance for Loss of Crops & Livestock

MORE THAN 34mil FARMERS benefited from increased insurance coverage and faster claims payments in India through improvements to the National Agricultural Insurance Scheme.

Property Catastrophe Risk Insurance

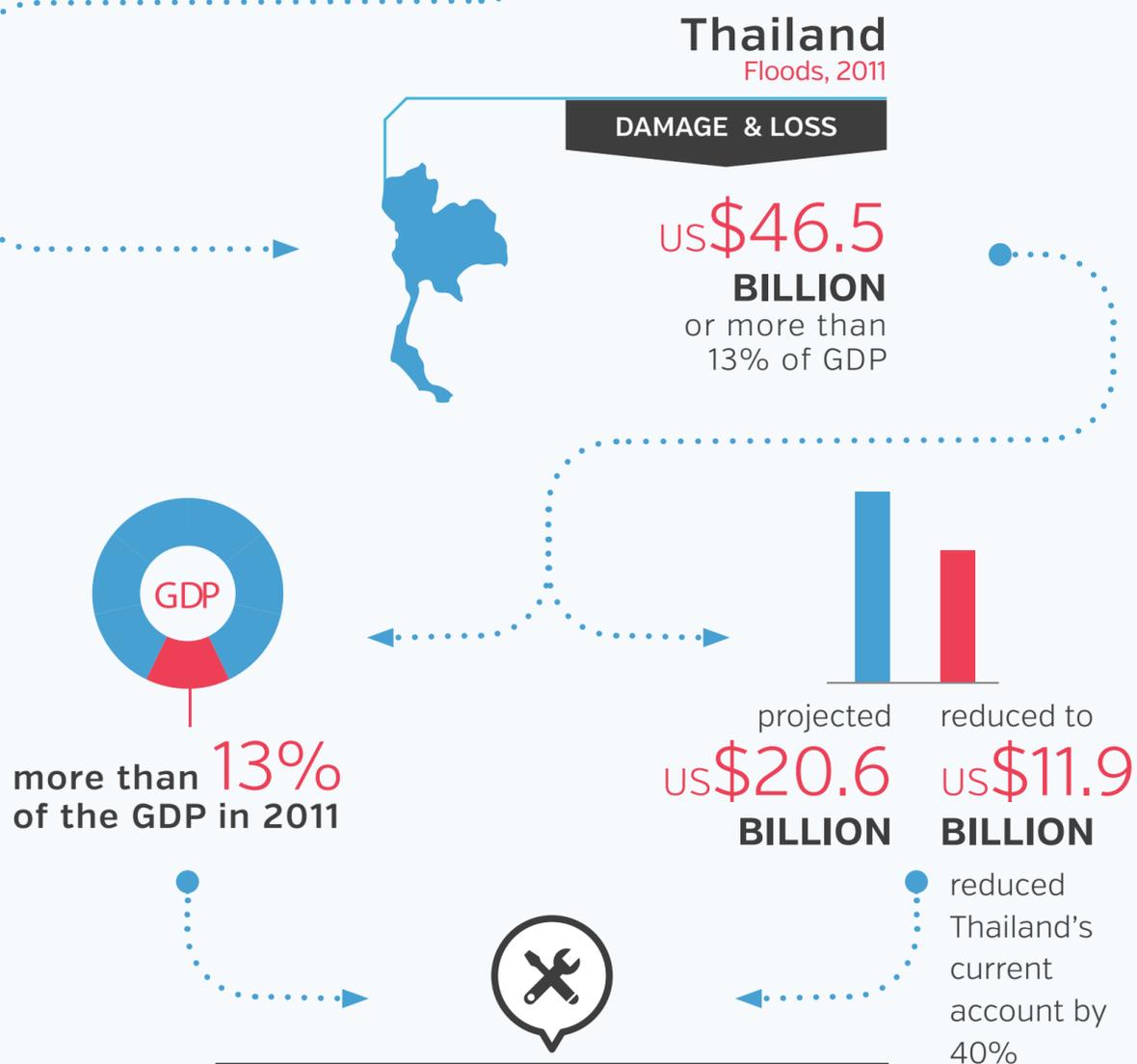
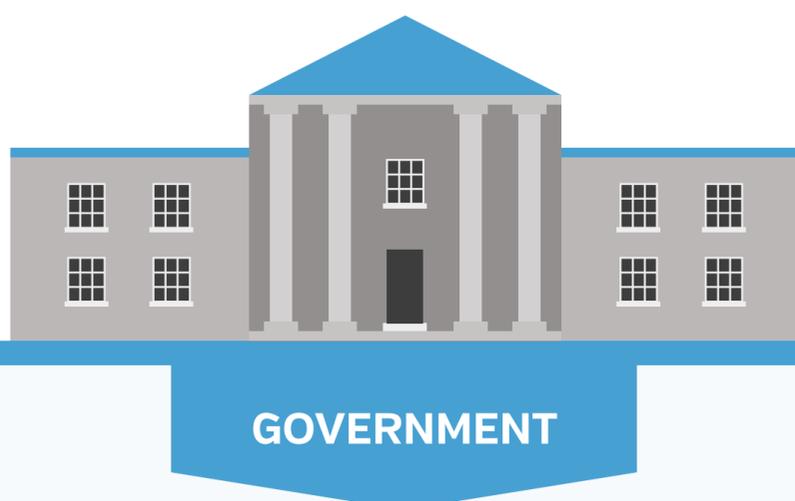
US\$70 MILLION for 21,000 claims were paid by the Turkish Catastrophe Insurance Pool.

Disaster Risk Finance for Scalable Social Protection

3.1 MILLION more people benefited from Ethiopia's Productive Safety Net Program during the 2011 Horn of Africa drought.

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FARMERS / HERDERS

Kenya
Drought, 2008 - 2011

LIVESTOCK LOSS

US\$12 BILLION
of losses suffered
by livestock
owners

9% of the
National Herd died

75% of the
losses falling on
Livestock Owners

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Agricultural Insurance
for Loss of Crops &
Livestock

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FARMERS

benefited from increased insurance coverage and faster claims payments in India through improvements to the National Agricultural Insurance Scheme.

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Chile
Earthquake, 2010

PROPERTY DAMAGE

US\$30 BILLION

in damages during the 2010 earthquake in Chile

70% of small businesses with property damages had **NO INSURANCE**

These companies had to absorb damages of

US\$500 MILLION

SOLUTIONS FOR COUNTRIES
To Improve their
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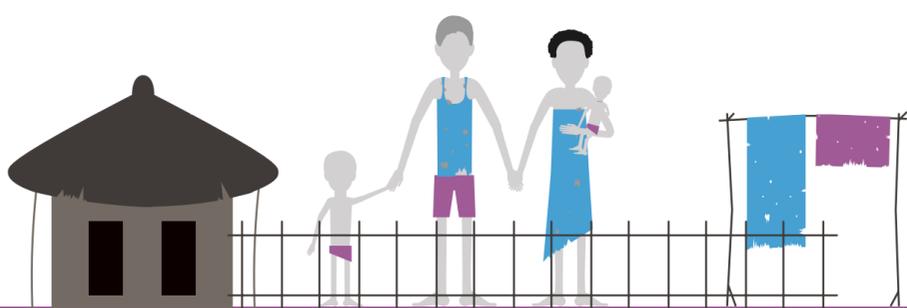
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THE POOREST

Ethiopia

Drought

IMPACT

Children UNDER AGE FIVE are 36% more likely to be malnourished in drought-prone areas



are **36%** more likely to be **MALNOURISHED**



are **41%** more likely to be **STUNTED** if they are born during a drought year



SOLUTIONS FOR COUNTRIES

To Improve their Financial Resilience



Disaster Risk Finance for Scalable Social Protection

3.1 MILLION

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