



SAVING
LIVES
CHANGING
LIVES

Crystal Gibbs and her nephew stand in front of her house which was damaged by Hurricane Beryl.

Partnering with WFP to provide vulnerable communities with protection from weather-related disasters

The climate crisis is no longer a glimpse into the future but the daily reality for communities around the world. Over the last 50 years, there has been a five-fold increase in the number of weather-related disasters, which disproportionately impact the most vulnerable and food insecure people in different regions of the world.

Each year, governments and the humanitarian sector spend billions to prepare for, respond to, and help people recover from increasingly destructive weather-related disasters.

Humanitarian responses are typically mobilized only after an extreme weather event has resulted in catastrophic losses and damages. For slow-onset events such as droughts, most often, assistance reaches people months after crops have failed, and livestock are lost, and when many households have already resorted to negative coping strategies, such as selling critical assets or taking children out of school.

While governments have made great progress in disaster response, there is still a significant protection gap between the financial impacts

of weather-related disasters and what governments and humanitarian partners are able to provide. Governments and the humanitarian sector urgently need to strengthen safety nets through scaling-up Disaster Risk Finance (DRF) and insurance solutions, enabling them to provide more timely financing and assistance to populations at risk.

WFP's Disaster Risk Financing Solutions

WFP is a leader in promoting disaster risk finance (DRF) instruments that can offer rapid assistance to affected communities in the event of a climate shock. DRF solutions includes instruments such as national-level insurance policies purchased by governments and humanitarian organizations from regional risk pools¹ or from the private insurance sector, as well as trigger-based contingency funds. When combined with crisis response mechanisms and social protection systems, these schemes can assist vulnerable people affected by climate shocks faster and more efficiently.

Macro insurance policies typically are parametric products that allow for quick payouts once specific thresholds are met (e.g., the minimum availability of water during the growing season). WFP works with all regional risk pools and private insurance companies, augmenting insurance coverage and supporting governments' preparedness.

In Africa, through the **Africa Risk Capacity (ARC) Replica** programme, WFP provides protection against droughts and tropical cyclones by matching or supplementing the insurance policies purchased by ARC Member States through ARC Ltd, while also delivering technical capacity strengthening services. In cases where governments do not purchase an insurance

policy, WFP can secure insurance protection independently. In both cases, contingency plans are developed and endorsed in close consultation with the Government, outlining the Government's as well as WFP's complementary response measures in case of a catastrophic event.

In the Latin America and the Caribbean region, through the **Caribbean Catastrophe Risk Insurance Facility (CCRIF)**, WFP top-ups existing insurance policies purchased by governments augmenting coverage and enabling potential payouts to go directly to vulnerable populations to protect their food security. WFP may also purchase direct policies for some countries to expand the response capacity. In the Pacific, WFP partners with the **Pacific Catastrophe Risk Insurance Company (PCRIC)**, contributing to premiums and supporting governments with contingency planning and operational readiness activities to improve responses. WFP is currently exploring a partnership with the **Southeast Asia Disaster Risk Insurance Facility (SEADRF)**. In 2025, for the first time, WFP extended climate protection to a fragile context outside of regional risk pools by purchasing, directly from the insurance sector, an insurance policy for Syria to finance early response in case of drought.

RISK LAYERING

In 2024, WFP launched two new DRF products—the Sahel Climate Catastrophe Layer (Cat Layer) in Burkina Faso, Mali and Niger for extreme, low-frequency shocks and a trigger-based contingency fund for localized shocks in Mali, Madagascar, Mauritania and Zimbabwe—with the aim of complementing existing protection from ARC Replica with coverage against more severe events or localized ones.

In 2024, with a combination of these instruments, WFP provided protection to 2.8 million people in Africa, Latin America and the Caribbean, Asia

¹ Regional risk pools aggregate risk from across multiple countries in a given region to take advantage of the natural diversity of weather systems. The risk pool then takes on the combined risk of the group rather than the individual risk of each country which allows the group to access reinsurance at more competitive rates or maintain joint reserve funds.

² In 2023, ARC agreed to allow Replica partners to purchase policies for different climate shocks or frequency of events, with the government's consent, to enable a varied risk layering approach.

and Pacific. Following weather-related shocks, payouts of over US\$13 million were triggered which enabled assistance to reach about 600,000 people. By diversifying its risk financing instruments and covering different layers of risks, WFP aims to strengthen its response capacity and enable timelier assistance to reach vulnerable populations faster and more effectively than ever before.

How to contribute: Scaling up Disaster Risk Finance

WFP's Disaster Risk Financing programmes are an opportunity for donors and partners to transform the current humanitarian financing model, which is often caught in repetitive loops of under-funded crisis response, towards a model based on forward-looking risk management, enabling the sequencing of public and private sector financing for quicker and more predictable action.

Donors can contribute to a dedicated **Trust Fund** for channelling funding into this work. The Trust Fund modality adds value by:

- **Strategic Funding:** Flexible, long-term investments, ensure the continuation of global technical support and the growth of country-specific programmes, providing long-term visibility and reliance on climate protection systems over multiple years.
- **Increasing protection:** WFP assists Governments with premium payments complementing and augmenting coverage purchased by governments. This allows to

increase the number of people protected while often inserting an element of shock-responsiveness into existing social protection systems.

- **Research and Evidence:** Contributing to the global Trust Fund allows WFP to support research projects to build solid evidence for the initiative's efficacy, including robust monitoring and evaluation.
- **Expansion and Innovation:** Each country should have a comprehensive risk management strategy. The Trust Fund resources are used by WFP to seed finance expansion to new contexts and the design of new, innovative instruments.

This Trust Fund has a reduced Indirect Support Cost of 4%. Donors can report it as Official Development Assistance and Climate finance.

Who is supporting WFP?

The scale up of WFP's DRF portfolio was possible thanks to the multi-year financial support from long-term donor partners including Global Affairs Canada, Global Shield Financing Facility, United Kingdom Foreign, Commonwealth and development Office, KfW Development Bank and BMZ - Federal Ministry of Economic Cooperation and Development (Germany) and U.S. Agency for International Development's Bureau for Resilience and Food Security.

Interest in this work continues to grow, with new donors joining the effort and pledging financial support and collaboration to scale up climate protection for the most vulnerable.

JOIN US IN CLOSING THE CRISIS PROTECTION GAP!

Contacts:

Mathieu Dubreuil, Mathieu.dubreuil@wfp.org
Azzurra Massimino, Azzurra.massimino@wfp.org
Emily Jones, Emily.Jones@wfp.org

Photo cover page: WFP/Rheanna Chen