

Speech: Lord Bates speech to the International Insurance Society Global Insurance Forum

Ladies and gentlemen, good morning. I would like to thank our hosts, the Insurance Development Forum and the International Insurance Society for bringing us all together, and for inviting me to speak.

Our shared ambition is to build the resilience of the world's poorest people to natural disasters. Almost one and a half million people have died in natural disasters over the past 20 years. This year, millions of people across Somalia, south-eastern Ethiopia, and northern Kenya continue to struggle in crippling drought conditions.

Levels of global humanitarian assistance are at record levels but still cannot meet growing demand.

Disasters and Poverty

Natural disasters have a massive economic impact. The total costs of natural disasters faced by developing countries are equivalent to one third of all official development assistance. Research by Risk Management Solutions puts these costs at \$29 billion a year across 77 countries. It's like taking three steps forward and one step back.

International assistance absorbs only a portion of this – 8% – the rest is borne by people, businesses and governments. While in rich countries like the UK, over 40% of the costs are covered by insurance; in the poorest countries less than 5% are covered. Pressure on families and government budgets mean development stalls.

Disaster risk reduction

What really frustrates us all is that these risks can be anticipated. These are not total surprises. Yet, globally investment in reducing risk from natural disasters is still only a small fraction of that spent on international response – we need to shift the balance.

This is why managing disaster risk is a central part of our approach to Humanitarian Reform. We know that for every £1 spent on working to prevent a disaster saves at least £3 in humanitarian assistance – in addition to the lives saved.

Our International Climate Fund has already helped over 21 million people to cope with the increasing risk of drought and floods. This includes work to build resilient communities and advance early warning systems.

Early Action

Today, I want to focus on the other part of this story – how we respond when a disaster strikes.

In an emergency, time costs lives. Globally, international assistance still takes too long to arrive. A more proactive approach is needed.

Earlier action saves lives and can more than halve the costs of responding to an emergency.

Insurance

Over the past week, a lot of people have asked why we would talk to the insurance industry about this. Some in the development and humanitarian world are nervous about working with insurers. My response is – why wouldn't we talk to the insurance industry about managing risk? You've been doing it for more than 300 years!

From the early days of captains insuring their ships at Edward Lloyds' coffee house – you are experts in managing risk. The insurance industry is a global risk pool – with trillions in capital that can cost-effectively absorb the costs of big, rare shocks like natural disasters. Our job as development partners is to support countries to develop and use the instruments are right for them in managing their own risks.

Let me be completely clear. I am not saying that insurance is always or the only solution, but for the special case of natural disasters it can play a role. It's about speed. In an emergency, time means lives. So-called parametric insurance is triggered automatically when a storm or flood strikes, so can deliver finance quickly, reliably and cheaply within days. Weeks ahead of other forms of aid. Insurance provides speed but also greater certainty. It doesn't replace the need for humanitarian assistance, but this quick finance can get lifesaving assistance to people fast, helping to stop a flood or drought spiraling into a disaster.

We've seen this work in practice. UK aid has supported regional risk insurance pools in the Caribbean, Pacific and Africa. Last year, the Caribbean facility paid out to 4 countries after Hurricane Matthew. In 2014, African Risk Capacity paid for food, cash and animal fodder that helped 1.3 million drought-stricken people.

The potential is clear.

Not just insurance

Of course, insurance is not the only tool in the toolbox. Countries need a basket of options to manage their risks. This year, the World Bank made its contingent credit instrument for disasters available to the poorest countries for the first time. Others are doing the same. What is great about insurance and contingent credit is that they are pre-arranged, meaning that countries have certainty of being able to access rapid finance if a disaster strikes. This allows them to plan and prepare.

Cutting-edge science now allows us to forecast extreme weather, weeks or even months in advance. Organisations like the Red Cross Climate Centre and the Start Network of NGOs have pioneered a new approach, linking pre-arranged funds to weather forecasts to trigger and then deliver even earlier action. Early results look promising. In Mali last year, START members were able to get out ahead of floods and reduce the impact on communities. We are building this into our own systems.

The way finance is delivered – being pre-arranged and on-standby when needed – can make a big difference. But the details matter. Finance is just one part of the story. We need the right plans and systems in place to ensure that the right aid gets to the right people quickly and effectively in an emergency.

It's chicken and egg. It's hard to develop delivery mechanisms if the finance is not in place. We need to do both, and we are doing both.

We are on the cusp of something really exciting. But to make progress we need to bring together the right people from across the development, humanitarian, science and finance communities, government, civil society and the private sector must work together.

The Centre

This is exactly what the new Centre for Global Disaster Protection will do. It will bring together the best and brightest people from each of these areas to build the capabilities, systems and knowledge needed to get aid to the people that need it earlier and more effectively.

There has been some misreporting of what the centre will do, so let me be clear...

It is about investing in the data, research and cutting-edge science to analyse risk and design systems that work well for the poorest people.

It is about providing training and sophisticated analytics to help decision makers make informed decisions.

It is about pre-disaster planning, including bringing vulnerable people into the dialogue about how support should flow in an emergency.

It is about providing neutral advice – supporting countries in making decisions about which financial instruments are right for them.

For the very poorest and most drought-stricken countries, it can also offer grant support to help meet the costs of insurance coverage. Value for money and impact will be central on this.

Finally, it is about innovation – looking at new ways of working and building new collaborations across the finance and humanitarian communities, to design financial instruments that work for developing countries.

At its heart, this is about risk assessment, good planning and public financial management. This is vital if we want to support countries to build

their own systems for managing disasters. This is why I am so pleased that the World Bank will join us in this venture. The World Bank's unique strategy of working with the full range of low-, middle- and high income member countries allows for the transfer of knowledge, experience, and resources across the World.

Success for the Centre is not about setting up new risk instruments, but about seeing them delivered to the right people at the right time. In the next 5 – 10 years, we believe that more risk can and should be financed through government-led systems wherever possible.

Right now, we need all the partners round the table to find new ways to finance and deliver assistance more quickly. The Centre is just one part of this.

We are not alone in this vision. In 2015, Germany united the G7 behind the InsuResilience target to help 400 million poor and vulnerable people access climate risk insurance by 2020. Germany's leadership at the G20 earlier this month pushed the agenda forwards, building a global partnership that will include not just governments but also civil society, multilaterals and the private sector, focussed squarely on strengthening resilience and response to crises. We welcome this approach and will work with Germany to advance this.

And just as important, is our collaboration with industry. The Insurance Development Forum is to be commended for the work that they have done in support of this agenda, especially convening us here today. Working with industry is vital if we are to successfully extend the use of insurance and its related risk management capabilities to build greater resilience and protection for people, communities, businesses, and public institutions that are vulnerable to disasters and their associated economic shocks.

This is just the beginning. By working together globally across governments, humanitarian agencies, the scientific community, civil society and the private sector, we can drive change.

We can shift the aid system to become more proactive, investing more in reducing risks, and putting in place systems to get aid more quickly to people who desperately need it.

The stakes are immense but the opportunity is enormous. Let's aim high.

[**News story: NSGI publishes political economy analysis beginner's guide**](#)

The Beginner's Guide to Political Economy Analysis (PEA) provides a learning resource for those working on delivering development initiatives overseas.

The latest National School of Government International (NSGI) guide is a result of the increasing trend of many large development organisations to run substantial online or taught courses on political-economy analysis, a field that can often appear daunting and complex.

This PEA guide is designed as a more informal and accessible introduction that will encourage development practitioners to use analysis as part of their own work (and not just those with formal PEA training). It reflects recent evidence on how politics and power can impact development and tries to help readers navigate these issues through some everyday analytical tools.

The guide affirms that there should never be an official orthodoxy for PEA and places the emphasis on questions, prompts and ideas to help thinking and practice. It does this by looking at the following questions, central to PEA:

- Why we do political economy analysis, and what is it?
- What kinds of issues and ingredients are often included in a PEA?
- How do we make sense of the different varieties of PEA?
- What tools are out there to help us conduct a PEA?
- What is thinking and working politically?

The guide aims to be free from jargon (as far as possible) and can be used for an in-house introductory seminar without the need for external resource. The guide is complemented by a separate training pack to support a half day role-play exercise. For those who wish to develop their knowledge, it also includes links to many other resources on political economy analysis.

Further Information

The guide, with its training exercises, can be found in the NSGI section of the SU [Stabilisation and Conflict Learning and Resource site](#).

[Statement to Parliament: Statement on Grenfell Tower: 20 July 2017](#)

Five weeks have now passed since the tragedy at Grenfell Tower.

Nothing that has happened in those 5 weeks will have diminished the grief of those who lost loved ones.

Nothing will have negated the trauma of those who lost their homes.

But across the public sector...

...in local and central government, in the emergency services, in hospitals, in schools and more...

...dedicated public servants have been doing all they can to deal with the aftermath and help the community to recover.

Over the past 5 weeks, the government has endeavoured to keep the House up-to-date with these developments.

This is the third oral statement I've made on the subject.

The House has also heard from the Prime Minister and the Housing Minister, who also answered questions in Westminster Hall before Parliament formally returned.

There has been a full debate in the Commons, 4 written statements, and a number of letters that have been sent to all Members.

My aim today is to provide an update before the House rises, and another opportunity for Hon Members to ask questions.

And I'd also like to let the House know exactly what action we'll be taking over the summer.

Victims

The Police continue to list 80 people as either dead or missing presumed dead.

39 victims have so far been formally identified, with 39 inquests opened by the coroner and adjourned pending the public inquiry and police investigation.

2 adults remain in hospital.

I know that some local residents remain concerned that the number of people in the tower on the night has been underestimated.

I would continue to urge anyone with further information to come forward.

We've been very clear that we don't mind if those affected were subletting or have immigration issues.

All we care about is getting to the truth.

Rehoming

Turning to the rehoming programme, everyone who lost their home in Grenfell Tower and Grenfell Walk has been made at least 1 offer of good quality, fully furnished temporary accommodation in the local area.

As of 10am this morning, 35 of these have been accepted and 10 families have moved in.

Those numbers are slightly down on the figures that were published recently as some people have changed their minds, as they are perfectly entitled to

do.

Where residents have turned down an offer we are finding suitable alternatives to offer them.

Where residents aren't yet ready to engage with the process, they don't want to make a decision right now, or they would rather wait for a permanent home to be offered, we will respect that.

At DCLG questions this week, the quality of the accommodation being offered was raised.

I'd like to repeat the Housing Minister's offer to the opposition front bench to visit some of these homes so they can inspect them for themselves.

I don't believe they've yet taken us up on that offer so far, but it still stands.

In the longer term, we're continuing to seek out and secure suitable permanent accommodation.

The first such homes for Grenfell families will be ready within days, and specialist teams are ready to start matching them to families and start making offers.

RBKC / Recovery Taskforce

At the town hall, we're continuing preparations for the return of control of the recovery effort from Gold Command to Kensington and Chelsea council.

I've spoken at length with the new leader of the council and been very clear that Gold won't hand over the reins until it's clear that the council is ready and able to cope.

We saw last night the very raw anger that some in the community still feel towards the council.

It's entirely understandable – as the Prime Minister herself has said, the initial response from the local authority was simply not good enough.

There's not a lot of trust there, not a lot of confidence.

And that's why, once Kensington and Chelsea council takes over the recovery operation, it will do so under the supervision of the independent Grenfell Recovery Taskforce.

It is important to stress that the role of the Taskforce is not to investigate the causes of the fire or to apportion blame – that's for the public inquiry and for the police investigation.

Rather, it is there to provide advice and support and see to it that council does the job that's required of it.

We're in the process of finalising the Taskforce membership, and I hope to make an announcement soon.

I can confirm that the handover from Gold to Kensington and Chelsea will not happen until the Taskforce is up and running.

Other towers / Testing

Away from Kensington, Madam Deputy Speaker, the fire safety testing programme continues.

We now believe that no more than 208 local authority and housing association residential blocks over 18 metres tall have been fitted with aluminium composite material cladding.

189 of these have had cladding samples tested by the Building Research Establishment, they've been tested by proxy or they have already had taken their cladding down.

None of them have passed the limited combustibility test.

Samples from a further 12 towers have been submitted this week and they are now being tested.

The BRE has yet to see samples from 7 towers, all of them managed by housing associations.

A month after the tests began, this is simply unacceptable.

And I expect to see them all submitting samples without any further delay.

On the advice of the Independent Expert Advisory Panel on Building Safety, the BRE is now undertaking system testing that will help establish how combinations of different types of ACM panels with different types of insulation behave in a fire.

An Explanatory Note, setting out the process and the timetable for further advice, will be published very shortly.

It has taken a short time to design and set up the test, but we expect the first results to be available next week.

As soon as results are available we will share them first with local authorities and housing associations who have confirmed that their properties are clad in the same combination of materials that are used in that test.

We will also, of course, share them with the local fire and rescue service.

The results will provide further information that building owners and their professional advisers can use to take decisions about what, if any, remedial action is required.

Although legal responsibility for fire safety enforcement lies with local

authorities, I do have the power to direct an authority to consider these test results as part of their duty to keep housing conditions under review.

If necessary, I will not hesitate to use this power, which could lead to enforcement action being taken against a landlord if a fire risk is not dealt with.

I do hope it will not come to that.

Public inquiry

Moving on to the public inquiry, Sir Martin Moore-Bick is continuing his preparatory work.

I welcome his decision to extend by 2 weeks the consultation period for the terms of reference.

While we're all anxious for the inquiry to get underway, it is important that the remit is appropriate and that everyone affected has had an opportunity to share their views.

Updates over the summer

With the House due to rise later today this is the last statement I'll be making before the summer recess.

But work on the recovery effort and testing regime will obviously continue at pace while Parliament isn't sitting.

And my department will be writing regular letters to all Members to keep them abreast of progress.

Thanks to MPs / conclusion

And finally, Madam Deputy Speaker, I want to pay tribute to the many Members on both sides of the House who have assisted with the emergency response and recovery effort so far.

They've provided insight, support, scrutiny and a voice for your constituents, both in public and behind the scenes.

The weeks, months and even years ahead will be unimaginably difficult for those that have been caught up in the fire and those who have lost family and friends.

There's nothing any of us can do to bring back those who died or erase the trauma of that terrible night.

But I'm sure the whole House shares my determination to take care of those that have been affected by the fire...to make sure the truth comes out and that justice is done, and to see to it that a tragedy like this never ever happens again.

News story: Unions suspend strike action on Southern Rail

ASLEF and the RMT suspend planned strike action on Southern Rail on 1, 2 and 4 August 2017.

ASLEF and the RMT have suspended planned strike action on Southern Rail on 1, 2 and 4 August and lifted a ban on overtime and rest day working.

This follows nine repeated offers by Transport Ministers to meet with ASLEF and the RMT if they called off strike action, beginning in November 2016. The Transport Secretary wrote to the unions with this offer most recently on Tuesday 18 July.

The Transport Secretary will meet with ASLEF and the RMT shortly to discuss a solution that ensures passengers receive the high quality rail services that they deserve.

Transport Secretary Chris Grayling said:

I remain committed to a strong future for the railways and one where the number of staff is likely to increase. I hope we can discuss ways in which we can maximise the potential of new technology and how it can improve services to customers.

News story: David Davis' closing remarks at the end of the second round of EU exit negotiations in Brussels

Thank you Michel. Thank you for your contribution and indeed your team's constructive talks this week.

On Monday we agreed to get down to serious business. But before turning to the substance I want to reiterate the four core principles that continue to guide the United Kingdom's approach.

First, we continue to engage constructively, as a full and responsible Member

State.

Second, we continue to work hard and at pace. We had 98 civil servants here this week.

Third, we negotiate for every nation and region of the United Kingdom. Our goal is to secure a deal that works for all parts of the country.

And finally, we will keep Parliament and the public informed as the negotiations unfold.

Which moves me onto the substance.

Overall, I am encouraged by the progress we have made on understanding each other's position on citizens' rights; the financial settlement; the first meetings of sub-groups on separation issues, and on the issues around Ireland and Northern Ireland.

Citizens' rights

Since the first round of negotiations, the UK has published its approach to citizens' rights.

The talks this week have demonstrated that this was both a fair and serious offer.

I am pleased by the progress we have made.

We have looked at each other's proposals in depth and identified many concrete areas where we agree as well as areas where there will be further discussion, which will be a priority for the next round as Michel has said.

We have also agreed to publishing a joint paper today that sets out the many areas of convergence in our proposals, and the areas we need to prioritise for future discussion in our future rounds.

Michel listed a number of the areas which require that future discussion and I won't reiterate them, I'll add to them: issues like voters' rights, posted workers and of course as he said the need for shared certainty. We agreed on the need for certainty on the part of citizens both the EU and the UK, we obviously have different views on how we achieve that.

Financial settlement

On financial settlement, we both recognise the importance of sorting out the obligations we have to one another, both legally, and in the spirit of mutual cooperation.

We have had robust but constructive talks this week.

Clearly there is a lot left to talk about, and further work before we can resolve this. Ultimately getting to a solution will require flexibility from both sides.

But as Michel said, we shouldn't expect incremental progress in every round.

Ireland

On Ireland and Northern Ireland, our coordinators – this is a discussion rather than a working group – have had a good discussion.

Both sides remain committed to the Good Friday agreement and again as Michel said, achieving a flexible and imaginative solution to address the unique circumstances around the border, and particularly on the north/south dimension of the agreement.

These include the mechanisms we have discussed to preserve the Common Travel Area and the rights associated with it. Rights laid down of course in a British Act of Parliament as well as in part to the Amsterdam Treaty.

Separation issues

On separation issues, we have made progress on a range of issues, Michel mentioned most of them: Euratom; legal cases pending before the European Court of Justice and administrative procedures before Union institutions; and of course goods on the market.

These discussions have laid important groundwork for progress in the next round.

Conclusion

All in all, the second round of negotiations have given us a lot to be positive about.

And they have also highlighted the need for both sides to demonstrate a dynamic and flexible approach in the way we approach these challenges.

We have conducted this round constructively and at pace, and I hope this is a model we can continue going forward.

To coin a phrase Michel, the clock is ticking.

I came here saying that it was important that we now made progress, identifying the differences so we could deal with them, and finding the similarities so we could reinforce them.

And this week, I think we have done just that.

Thank you.