Africa – Asia conclave
on loss and damage due to Climate Change

ilding Global Agricultural Insurance Mechanism under the UNFC
– Case Study of Ghana

Presented by

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What to know about Ghana?

- Sub-sahara democratic African state
- Located at the West Coast of Africa with common borders with Burkina Faso to the North, Ivory Coast to the west and Benin to the East.
- Estimated 25million people.
- Growing economy (GDP growth around 6-7%)
- Agriculture is main stay of the economy (employing nearly 60% of the working population). Small holder farmers, rain-fed irrigation.
- Economy is expanding – statistically achieved middle-income status in 2008. Oil exporting country.

Climate-related information (1 of 1)

Energy, Agriculture and Land use change and forestry are the sources of GHG.

Energy production, consumption and transport constitute key source of emissions.

CO_2 and CH_4 are the major important GHG gases.

Evidence of climate change is abound in Ghana. Temperature has increased by between 0.6^{O}C and 0.8^{O}C since 1960. Projected to increased more between 1.1^{O}C and 1.7^{O}C between 2020 and 2080.

limate-related information (1 of 2)

Across the country, rainfall levels are generally projected to decrease with the same time horizons (2020 to 2080).

Manifestations of extreme weather events (drought, flooding etc) and sea level rise impacts are evident in Ghana.

Impacts of climate change has been identified as additional threa to the economy of Ghana. Sectors are climate sensitive (particularly, agriculture, water, infrastructure etc).

Vulnerability spread defined by: poverty, geographical spread, livelihoods sources, infrastructural resilience, access to risk information, gender etc.

What is the feasibility of a global agricultural insurance mechanism under the UNFCCC?

Evidence is accumulating of connections between climate change, and the increasing incidence of **crop damaging weather events** of extreme severity.

Farming is becoming steadily more **commercialised**, with greater levels of financial investment. Farmer/investors and their **banks** will frequently examine the feasibility of using a **financial mechanism** i.e. insurance, in order to address part of the risk to their financial investment. As a part of this trend to commercialisation greater use is now being made of **contract farming** arrangements, where insurance is one of many services provided, along with inputs, to growers. In summary, there is a trend to formalise risk management in farming, with insurance being one obvious mechanism which can be harnessed for this task.

What are the opportunities, challenges an risks involved in creation of Insurance

- Climate impacts beyond what can be adapted to (avoided, unavoided, unavoidable)
- Rising frequency of recorded extreme event (floods, wind storm, coastal erosions, rainstorms).
- Natural and socio-economic cost - crop failure, loss of heritage asset
- High cost to developing economies – sensitive sectors are at risk
- Comprehensive risk-based solution is what is needed

ss and damage threatens sensitive econom sectors of Ghana

Profitable cocoa production is unlikely in the future if action is not taken immediately.

Threatens 12million Ghanaians living on the 560km coastline

Lives and properties are at risk
3rd June, 2015 Accra floods

e-risking loss and damage threats - risk-based climate planning

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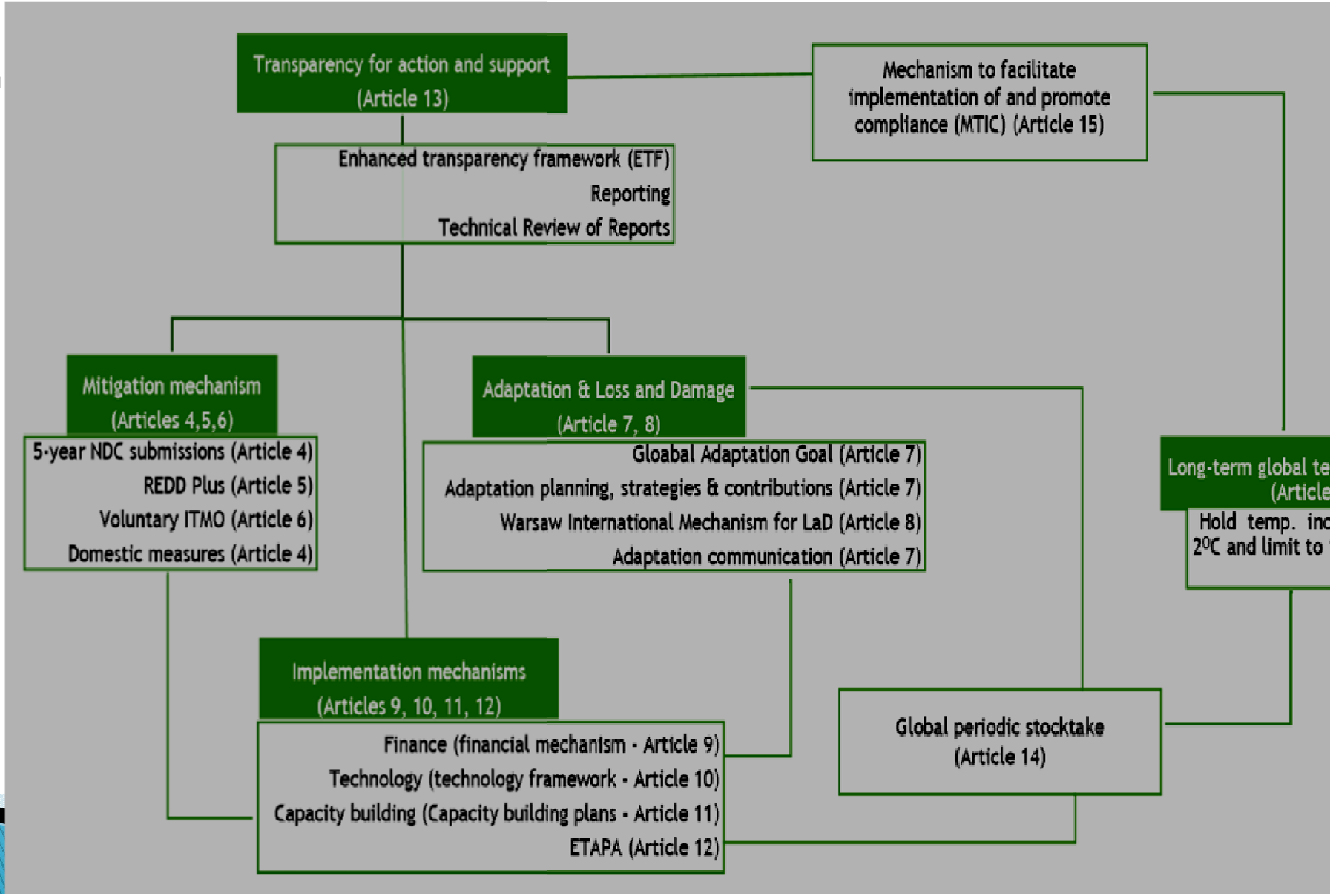

National Level Actions - Climate Planning

de range policy solutions that aim at

- risk reduction
  - national disaster risk reduction strategy led by National Disaster Management Organization
  - Community Resilient and Early Warning Project (support from Government of Norway)

- risk transfer such as insurance
  - Crop insurance pilot in the northern savannah of Ghana (Support from German Government)

- risk reduction (contingency fund and social safety net)
  - Set up of Ministry of Gender and Social Protection
  - Social Investment Fund, Savannah Accelerated Development Authority (SADA)

Key Lessons

- Loss and damage issues need greater integration into development matters.
- Country-specific mapping of loss and damage hotspots are needed to inform policy
- Loss and damage related public expenditure needs to be scale up
- Public awareness is key
- National Determined Contributions (NDC) framework provide a good window for national action

Thank you