



Africa-Asia Conclave on Loss and Damage Due to Climate Change

**Instituting a global agricultural insurance programme as a
risk-sharing and transfer mechanism for developing countries**

**August 25-26, 2016
Nairobi, Kenya**

CONCEPT NOTE

INTRODUCTION

Climate science has established that the devastating impacts of climate change in the form of extreme weather events, floods, droughts etc are increasing in frequency and intensity. The resultant loss and damage are suffered more by developing countries since they are more exposed to climate hazards and have limited coping capabilities. According to the Food and Agricultural Organization (FAO) Report (2015), natural hazards and disasters between 2003 and 2013 in developing countries affected over 1.9 billion people and caused over US\$ 494 billion in estimated damage. Further, since most African and South Asian countries are largely dependent on agriculture for their livelihood, the impacts on the agricultural sector are most felt. It is estimated by the FAO that the agriculture sector including crops, livestock, fisheries and forestry absorbs approximately 22 per cent of the economic impact caused by natural disasters in developing countries. By 2020, the UNEP projects that 75-250 million people in Africa would be exposed to increased water stress due to climate change. Further, rice yields are expected to drop by 50 per cent by the end of this century in South Asia. Since the global efforts to address climate change fall drastically short of what is required, loss and damage due to climate impacts is becoming a very important issue for developing countries in global climate change negotiations.

The growing concern around loss and damage issue is reflected by the fact that this issue is treated in a separate section in the Paris Agreement. The Agreement also calls upon Parties to enhance their understanding, action and support on a cooperative and facilitative basis to address loss and damage. It further identifies risk-insurance facilities, climate risk pooling and other insurance solutions among others as possible areas of convergence among the Parties. At the 22nd Conference of Parties (CoP 22) at Marrakesh, there will be a review of the two-year work plan of the Executive Committee (ExCom) under loss and damage and a five-year work plan will be formulated.

