CLIMATE CHANGE ADAPTATION AND FINANCIAL PROTECTION: SENEGALESE EXPERIENCE IN SUPPORTING VULNERABLE POPULATIONS

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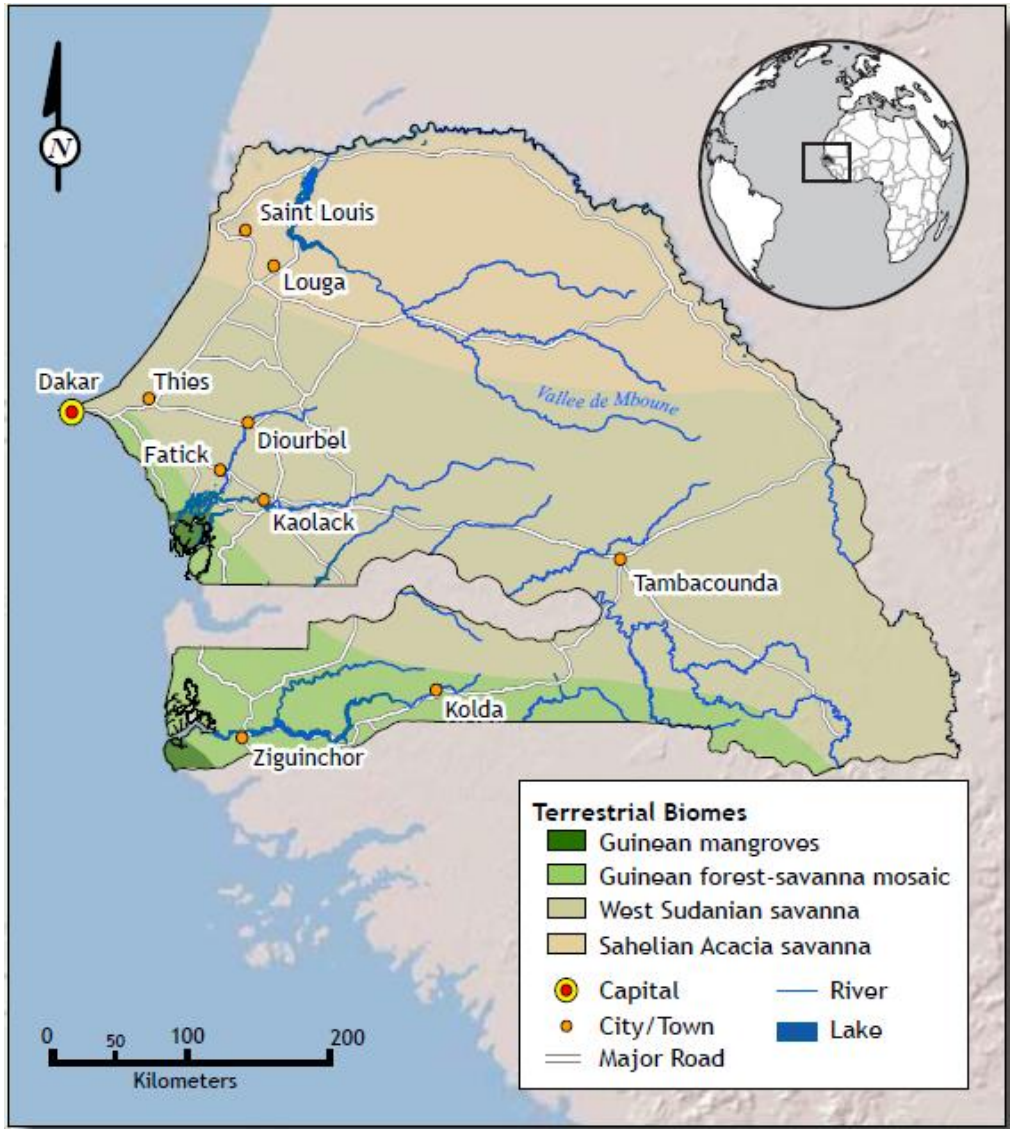
Climate Change Adaptation and Financial Protection: study overview

- **Objective:** Examine how countries are using different financial protection tools as part of broader approaches to managing climate risks
- **Output:** Emerging recommendations *for development co-operation providers* on how to better target support for financial protection in enhancing the resilience to climate-related disasters in vulnerable countries
- **Methodology**: Learning from stakeholder experiences in Senegal and Colombia (development partners and national governments)

Senegal's climate vulnerability and links to economic structure



- **Droughts** impacting small farmers (crops and livestock)
  - 800,000 people at food insecurity in 2011
- **Coastal erosion** and storms affecting small fisheries
  - From 25% today to 75% of coastline highly vulnerable by 2080
- **Flooding** affecting urban areas
  - 75% of urban areas classified as unplanned settlements

Increasing efforts to reduce climate risk exposure ex-ante

- Growing focus on risk prevention, but no comprehensive DRM strategy yet
  - Ten-Year Flood Management Plan (2012)
  - National Agency for Civil Protection
- Implementation of priority measures in the National Adaptation Plan of Action (NAPA, 2006) severely delayed
  - New “NAP” (ongoing): coordinated multi-sectoral approaches involving development cooperation providers from the start
  - Strong level of support from bilateral and multilateral donors to adaptation-related activities

History of financial protection tools

- Government interest in financial protection since late 1990's
- Objective was to complement existing calamity funds and lessen the reliance on post-disaster relief from donors
- Both a national and a regional initiative (within West African Union)

Overview of financial protection mechanisms in Senegal

Risk sharing or transfer measures	Level of risk coverage		
	National / Regional	Private sector (incl. FIs)	Household / Community level
Insurance mechanisms	African Risk Capacity	National Company of Agricultural Insurance (CNAAS) products	Microinsurance initiatives (WFP R4 initiative, private insurers)
Catastrophe bonds	-	-	-
Post-disaster credit/ Disaster credit	-	-	-
Savings or reserve funds	Bonus Fund, Guarantee Fund, Calamity Fund	-	Household Savings
Ex-ante social protection	-	-	National Programme of Family Security Grants (PNSBF) ; Adaptive Safety Nets program
Humanitarian relief and compensation payments	Emergency Funds from donors (USAID, UNOCHA)	-	-
Remittances	-	-	-

Emerging findings (1/3): Complementarity

- Few strategic linkages between existing sovereign insurance (ARC), and smallholders insurance schemes (CNAAS, R4, Naatal Mbay…)

Emerging findings (2/3): Social protection

- The development of the Unified National Registry should improve the targeting of beneficiaries of the National Family Security Grant programme.
- This certified registry and social protection programme could both inform the targeting of climate-related beneficiaries

Emerging findings (3/3): Data availability

- Data on current, projected risks and the impacts of natural catastrophes is lacking.
- But collaborative sharing takes place between donors and with governmental bodies.

Overview of questions for discussion

- What is the most appropriate way to ensure that the poorest and most vulnerable groups can be reached? e.g.
  - Strengthening the complementarity of existing schemes?
  - Combining social protection and insurance?
  - Overcoming issues of data availability?

- What evidence has emerged on the role of donors, the private sector and government in developing, financing and implementing these measures?