

The background of the slide is a composite image. The top portion shows a city skyline with several skyscrapers under a hazy, overcast sky. The bottom portion shows a wide river or floodplain with a long bridge spanning across it. The water is murky and brown, and many trees are partially submerged. A semi-transparent dark green horizontal band is overlaid across the middle of the image, containing the title and speaker information. A vertical white dotted pattern runs down the center of the slide, partially overlapping the green band.

Swiss Re



# Climate-resilient development

## Poverty Eradication and Adaptation to Climate Change

Dr. David Bresch, Head Sustainability & Political Risk Mgmt

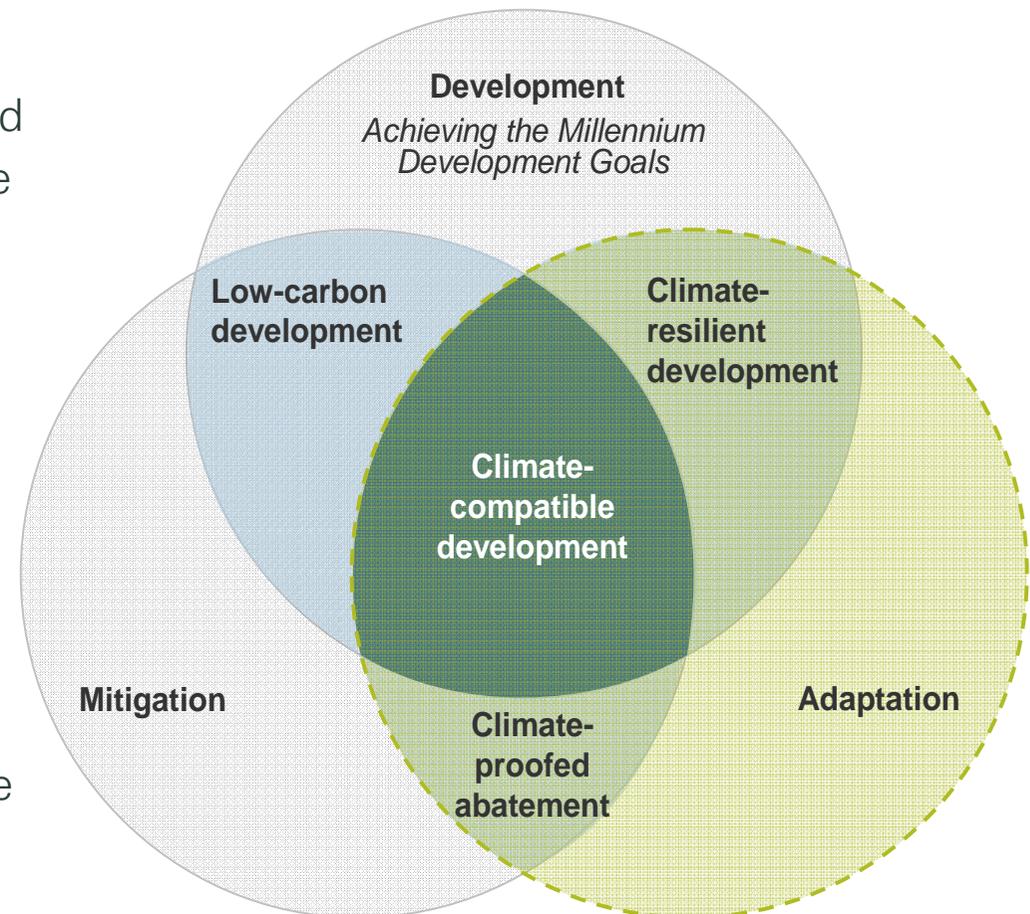
# Climate-resilient development needs to address total climate risk

## Objectives:

- Provide decision makers with the facts and methods necessary to design and execute a climate adaptation strategy

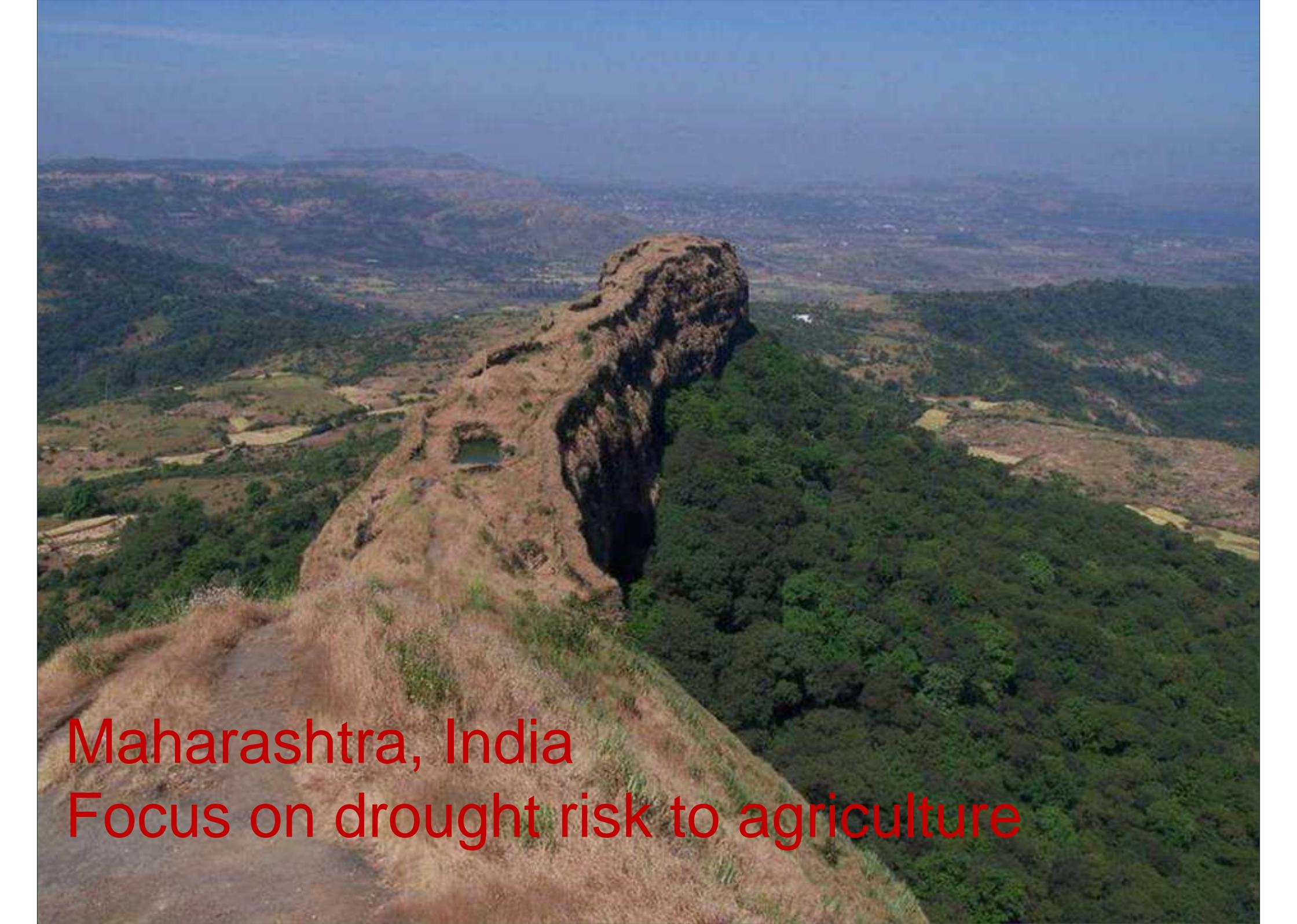
## Key features:

- Developed a methodology to quantify **local total climate risks**, meaning it looked at the combination of
  - today’s climate risk,
  - the economic development that might put greater population and value at risk
  - the additional risks presented by climate change.



The Team: Economics of Climate Adaptation Working Group, a partnership between the Global Environment Facility, McKinsey & Company, Swiss Re, the Rockefeller Foundation, ClimateWorks Foundation, the European Commission, and Standard Chartered Bank.

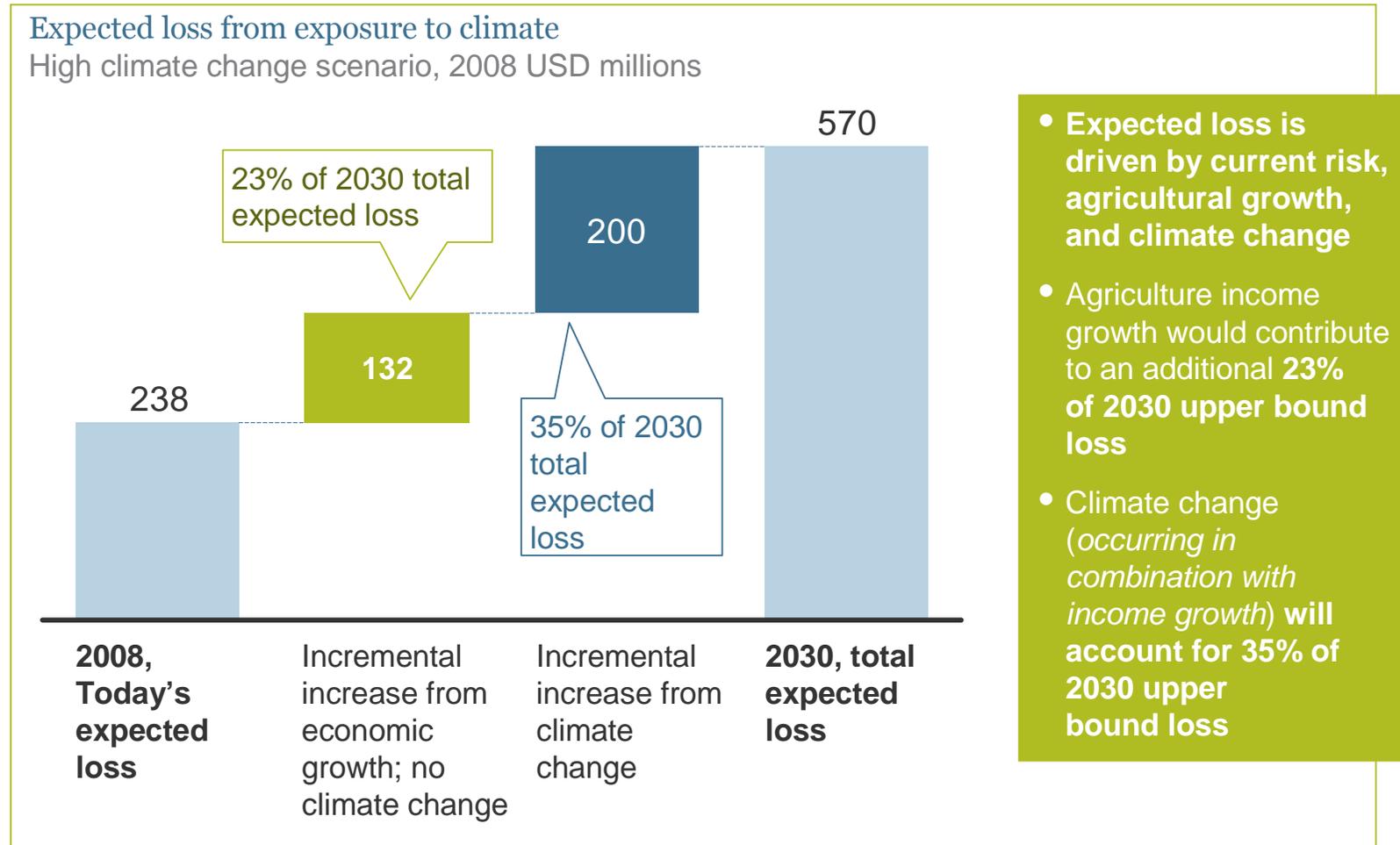
The report: Shaping climate resilient development, 2009, 159p, foreword by Lord Nicholas Stern.



**Maharashtra, India**  
**Focus on drought risk to agriculture**

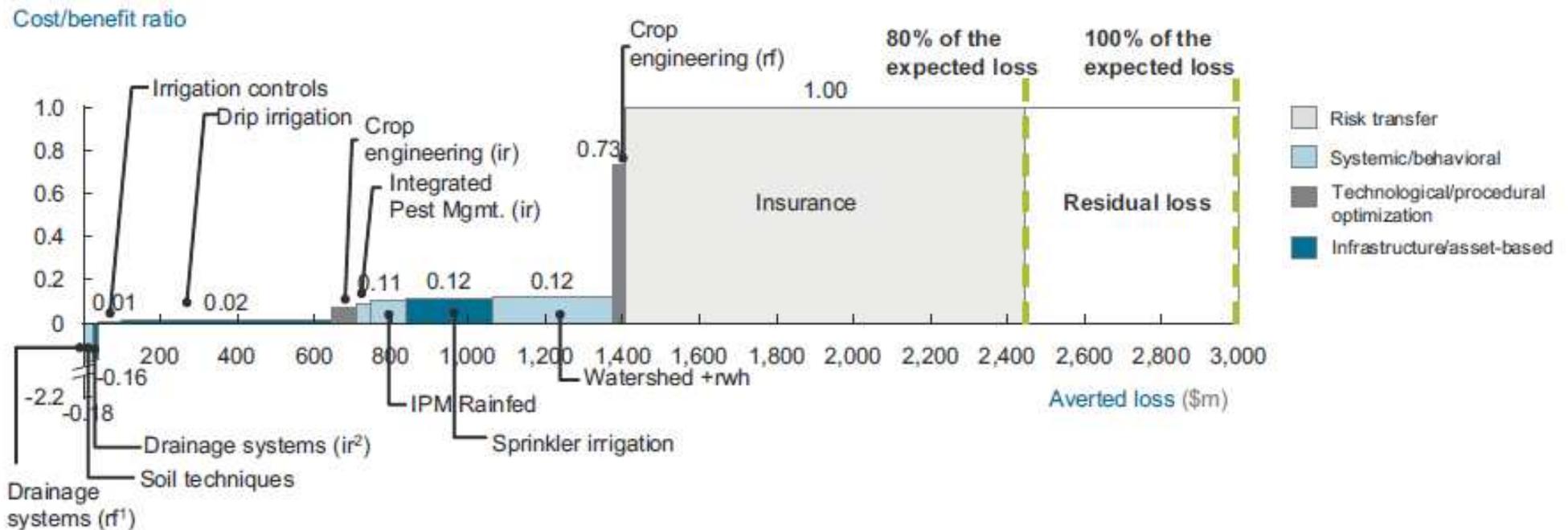
# The economic value at risk – driven by economic growth and climate change

Maharashtra, India– focus on drought risk to agriculture



# In addition to agricultural 'best practice', index-based micro insurance is a powerful tool

Maharashtra, India – focus on drought risk to agriculture



- A large share (~50%) of measures have lifetime economic benefits greater than costs (NPV>0)
- Micro irrigation measures (drip, sprinkler irrigation), watershed management and insurance are key measures (addressing 70% of the expected loss)

1 Rf = rain fed agriculture  
 2 Ir = irrigation fed agriculture



Tigray region, Northern Ethiopia  
Food security through insurance



## Swiss Re partners with Oxfam America and the World Food Programme

- **Role Swiss Re:** Founding Sponsor; exclusive insurance sector member
- **Goals:** Address the needs of smallholder farmers facing climate change shocks by offering an adaptation **framework that integrates physical disaster risk reduction and affordable risk transfer solutions**
- **Special feature:** The project offers insurance-for-work for activities intended to reduce farmers' vulnerability to droughts
- **Public private partnership:** Building on Ethiopian government's existing social safety net program
- **Size:** Oxfam and the World Food Programme have set a goal to raise a total of USD 28million to cover 4 countries and last for 5 years
- **Proven track record:** Impressive growth in sales of insurance policies to poor farmers in Ethiopia in three years (2009-2011 from 200 to 14'000)



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