CIMA Experience in dealing with Climate and disaster risks

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Climate and disaster risk: building resilience, bridging the protection gap in Asia

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Plan

I. CIMA’s Journey through Index Insurance

II. Recent developments

III. Lessons learnt

IV. Perspectives
CIMA Region...

- Unique regulatory body for 14 countries in West and Central Africa
- Currency = Franc CFA (1 euro = 655 F CFA)
**CIMA Region and Climate Risks**

- **CIMA Region** has a moderate Climate Risk Index, but is deeply vulnerable
- Some countries identified as more exposed to drought (famine, poverty)
  - Need to secure agriculture which represents the backbone of the economies
  - **Index Insurance** to protect low-income (vulnerable) people
Index Insurance...

- Some pilot projects supported by governments and sponsored by GIIF (CNAAS in Senegal, AMAB in Benin...)
- African Risk Capacity (ARC) to cover climate at the country level (macro, reinsurance for micro)

Question:
How to build a sustainable model that can survive without government subsidies?
Other aspects of Climate Risks (Change)

- Natural catastrophes and extreme weather events
  - 80% of natural disasters from 2005-2015 were linked to climate

- Sea level rise
  - Arctic sea ice declined by 13.1% per decade

- Fire burns a tract of Amazon jungle
  - A tragedy continues to unfold across the Amazon with huge consequence on the world ecosystem

All these look like a fiction, a beautiful literature, far from our realities, until...
Last week disaster in Cameroon

https://www.youtube.com/watch?v=cyB51K3hqt4
https://www.youtube.com/watch?v=yMmXMqWCLWY
The proposed strategy will be submitted by the end of the year, and will include:

- Consumer education
- An approach to disclosure on Financial risks from Climate change
- Scenario analysis and stress testing on climate-related risks
- A “green strategy” to increase climate sensitivity within the Organisation
THANK YOU!