

**Submission by the World Food Programme
to the Executive Committee of the Warsaw International Mechanism for Loss and
Damage associated with Climate Change Impacts of the UNFCCC**

The World Food Programme (WFP) is pleased to share with the Executive Committee of the Warsaw International Mechanism its progress report in relation to providing technical assistance for the implementation of relevant approaches, at the local, national and regional level, in developing countries that are particularly vulnerable to the adverse effects of climate change.

Introduction

The United Nations World Food Programme (WFP) recognises that climate change is one of the leading causes of hunger. The number of acutely food-insecure people due to climate extremes has reached 34 million in 2019¹, followed by 15.7 million people in 15 countries in food crisis or worse (IPC Phase 3 or above) in 2020² due to climate extremes. These alarming numbers can only be expected to increase- it is projected that in a 2°C warmer world, an additional 189 million people could face food insecurity³.

WFP recognises that investing in averting, minimizing and addressing loss and damage associated with the adverse effects of climate change is crucial. This includes the need to address the increase in extreme weather events and slow onset climate change impacts to end hunger, while also achieving food security and fighting malnutrition. The deterioration of agricultural assets and infrastructure in the wake of extreme weather events is already affecting the livelihoods of millions of vulnerable people, delaying progress towards supporting SDG 2.

WFP has therefore prioritized efforts to mainstream climate risk management in its operations, including through analysis of climate risks on food security, as well as the design and implementation of projects which help governments manage climate risks in food systems.

WFP's approach

WFP aims to take a long-term approach at the humanitarian/development nexus that integrates disaster preparedness, response, recovery and risk financing, to ensure vulnerable communities and the governments that serve them are able to address the impacts of climate change on food and nutrition security. To achieve this goal, WFP will continue to work with governments and partners to promote three main objectives⁴:

- Support the most vulnerable people, communities and governments in managing and reducing climate-related risks to food security and nutrition and adapting to climate change.
- Strengthen local, national and global institutions and systems to prepare for, respond to and support sustainable recovery from climate-related disasters and shocks.

¹ [2020 Global Report on Food Crises](#)

² [2021 Global Report on Food Crises](#)

³ [WFP, 2017 - What a 2°C and 4°C warmer world could mean for global food insecurity](#)

⁴ [WFP's Climate Change Policy](#)



- Integrate enhanced understanding of the impacts of climate change on food security and nutrition into local, national and global policy and planning, including South–South cooperation, to address the impacts of climate change on food security and nutrition.

WFP works to establish new tools, decision-making processes, financing mechanisms and implementation modalities that can trigger early actions before, or early after a climate event to transition from repetitive crisis response to more forward-looking and **comprehensive risk management**. In doing so, WFP will **measure the effectiveness** of adaptation and other climate-related activities, and review decisions in the context of evolving climate change science and uncertainties. This will guide continued development and investment in tools and institutional mechanisms that enable countries to build resilience and manage climate pressures with climate-smart early action, response and recovery protocols.

Examples:

Climate and Food Security Analyses

WFP is working with a number of government partners and scientific institutions to better understand the impacts of climate change on vulnerable people's food security and nutrition, and the possible adaptation actions they can take. WFP supports decision-makers to identify the most appropriate policies and programmes to implement in order to prepare for climate risks, respond to climate-related disasters, and adapt to the longer-term impacts of climate change on food systems.

This type of collaboration is based on an experimental analytical framework that (1) analyses climate impacts on food & nutrition security and livelihoods based on historical trends, (2) develops climate scenarios, (3) identifies potential impacts and loss and damage to vulnerable populations based on these scenarios, and (4) identifies priority interventions to better manage loss and damage to enhance food security. The approach can provide an overview of loss and damage over time, including impact of rapid onset and slow-onset disasters⁵.

R4 Rural Resilience Initiative (R4)

WFP is the first UN agency to successfully enable resource-poor and food insecure people to access climate risk insurance solutions by participating in risk reduction activities through the R4 Rural Resilience Initiative (R4)⁶. The initiative is WFP's flagship approach for integrated climate risk management that helps communities build resilience, incomes and wellbeing in the face of increasing climate variability and shocks.

R4 began as a strategic partnership between WFP and Oxfam America and is an example of how integrated climate risk management approaches that combine index insurance, social protection, disaster risk reduction and financial services can strengthen community resilience at scale and demonstrate the value of public-private partnerships.

The initiative combines four risk management strategies: **reducing the risk** of climate-related shocks through nature-based solutions and improved agricultural practices; **transferring the risk** of catastrophic events to private insurance markets; enabling better **risk retention** of households and communities through the promotion of group savings and integration with social protection

⁵ [WFP, 2019, Loss and Damage: Repairing Shattered Lives](#)

⁶ [WFP, 2020, Rural Resilience Initiative Factsheet](#)



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systems; and promoting **prudent-risk taking** through a combination of financial education, livelihoods diversification, and easier access to credit to enable better investments.

Thanks to R4's comprehensive risk management scheme, communities become stronger in the face of disasters. Protected by insurance, households can avoid resorting to negative coping strategies. They are able to invest in labour, new seeds and fertilizer to guarantee food is on the table all year long.

Through the R4 Initiative, **WFP has protected 160,000 farming households** during the 2020/21 agricultural season **in 10 countries** (Bangladesh, Burkina Faso, Ethiopia, Kenya, Madagascar, Malawi, Mozambique, Senegal, Zambia and Zimbabwe) from climate-related risks, providing a safety net to nearly 780,000 people against climate shocks.

After the 2017/18 season, around **US\$1.5 million** in insurance payouts were distributed through the initiative in Ethiopia, Kenya, Malawi, Senegal and Zambia. In 2021, the largest payout to date of over 2 million USD is about to be distributed in Malawi.

Since 2011, R4 has triggered payouts of over US\$ 5 million to 650,000 people. Payouts received were mainly used to purchase food followed by investment in agricultural or livestock inputs. The most important payout disbursed to date, amounting to US\$119 per household - following the almost total failure of the 2017 short rains in Kenya - **enabled households to ensure adequate food consumption, protect livestock and pay for school fees.** A similar pattern of expenditure has been observed in Malawi, Senegal, Zambia, or Zimbabwe, with most of the payout received spent **on food consumption and livelihood protection.** In Ethiopia nearly 50 percent of those receiving a payout, invested the money back into their crops, indicating a level of trust in building the predictability of the insurance product in case of shock. More recently, US\$100 in insurance payouts were distributed to farmers living in the South of Madagascar, representing about five months of cash transfers.

Many of the lessons from R4 are also being transferred to WFP's work in Latin America and the Caribbean, where a range of insurance and other financial services are rapidly being designed and roll-out across the region, from micro to macro-level interventions. The regional office has developed a risk finance strategy⁷ that looks at how to scale such interventions sustainably in a region exposed to many loss and damage risks due to climate change, as part of a wider portfolio of work to support climate change adaptation⁸.

African Risk Capacity (ARC) Initiative

ARC Replica is an innovative risk-financing solution offered to the World Food Programme (WFP) and the [Start Network](#), (the two 'Replica Partners') by the African Risk Capacity (ARC). The initiative allows Replica partners to purchase "Replica" policies that complement the insurance policies purchased by ARC member governments, ensuring a greater number of vulnerable people receive ex-ante assistance when extreme droughts in covered countries trigger insurance pay-outs. The initiative also provides the collaborating governments with technical assistance for improving and

⁷ WFP, 2020, [Inclusive risk finance to build the resilience of the most vulnerable and food insecure in Latin America and the Caribbean](#)

⁸ WFP, 2021, [Building Climate Resilience in Latin America and the Caribbean: The World Food Programme's Experience](#)

customizing parametric drought models, contingency planning, monitoring seasonal risk, and other capacity development needs identified through the partnership.

In 2020, WFP purchased five Replica insurance policies, protecting nearly **1.3 million** people in Mali, Mauritania, Burkina Faso, Zimbabwe and the Gambia from the risk of catastrophic drought events. In 2020, payouts from the 2019/20 policies allowed WFP to assist approximately 4,000 people in Mauritania and 40,000 people in Zimbabwe ahead of the traditional lean season response. This protection has augmented social protection frameworks in times of COVID-19 and helped governments reduce the risk of compound disasters.

Forecast-Based Financing (FBF)

There is agreement amongst the scientific community that the frequency and magnitude of climate hazards, such as droughts, floods and tropical storms will increase as a result of climate change. Increasing evidence at the global level suggests that **early interventions** not only help avert the worst impacts of such hazards, but are also more empowering to beneficiaries and cost-effective to the humanitarian system.

Despite significant increases in donor funding that reflect the growing need for humanitarian responses to new emergencies and protracted crises, there is a persistent funding gap of around 40 percent⁹ in support of most humanitarian appeals. This forces organizations such as WFP to make hard decisions about the prioritization of assistance. To support countries with the management of growing and increasingly compound climate risks, WFP is implementing innovative programme approaches to reduce and prevent losses and damages in the livelihoods of people who are confronted by impending climate extremes. **The approach that has demonstrated the biggest potential to prevent predictable climate emergencies and narrow a growing humanitarian funding gap is Forecast-based Financing (FbF).**

Forecast-based Financing is an innovative mechanism that enables community-based **anticipatory actions** in the critical window between a hazard forecast and an extreme weather event. The approach is designed to reduce losses and damages in the most vulnerable communities by acting with foresight, pre-positioned financing, and pre-meditated contingency plans. These actions minimize losses and damages caused by climate hazards and reduce the need for humanitarian assistance in their aftermath. Activities are closely aligned with national priorities, leverage local field expertise and build on existing coordination mechanisms. At present, WFP is implementing such programs in 19 countries.

In Bangladesh, to reduce the impact of heavy flooding events during the 2020 monsoon season, WFP has used robust early warning data to transfer cash to vulnerable families several days in advance of a flood hazard. With support from the Central Emergency Response fund (CERF), WFP has supported 145,000 vulnerable people with such anticipatory cash transfers 4 days before their livelihoods were affected. Beneficiaries have used these funds to buy food and medicine, fortify homesteads, protect critical assets, and transport livestock and vulnerable family members to safe places.

In Nepal, WFP is working in 19 flood-prone districts to strengthen the national early warning system for floods and integrate protocols for forecast-based actions at the national and sub-

⁹ WFP, 2019, Forecast-Based Financing: Anticipatory Actions for Food Security



national levels. In 2020, WFP has triggered cash transfers to 13,600 families in anticipation of flooding events, which reduce the average cost of an emergency response by over two-thirds.

When people have access to timely and useful climate information, they are empowered to make better decisions. In Malawi and Tanzania, WFP is supplying farmers with climate information through mobile phones, communal radio programs, and agricultural extension services. This helps farmers plan ahead and reduce crop losses in times of irregular rainfall.

In recognition of the need to develop evidence about the costs and benefits of early humanitarian action, **WFP has developed a Humanitarian Return on Investment (H-ROI) Methodology** to help measure the benefits of early action both quantitatively and qualitatively. This H-ROI work has been completed for 91 preparedness projects in 8 countries including **Nepal's** Forecast-based Financing project for floods where the ROI shows significant cost savings: with FbF investments in place, US\$ 22 million can be saved when responding to an emergency of an average size.

Knowledge sharing and partnerships on comprehensive risk management approaches

In addition of being an observer organization of the WIM, WFP provides technical expertise on comprehensive risk management approaches to minimize and address loss and damage. WFP is an active member of the Technical Expert Group on Comprehensive Risk Management (TEG-CRM) and of the Capacity for Disaster Reduction Initiative (CADRI) to strengthen country capacities on disaster risk reduction and climate change adaptation. WFP is also participating in the governance of specific global initiatives to promote and finance concrete actions on

- **Climate risk insurance** - through the InsuResilience Global Partnership, which aims to have 500 million vulnerable people covered by pre-arranged disaster risk finance and insurance mechanisms by 2025;
- **Forecast-based financing and anticipatory action** - through the Risk-informed Early Action Partnership (REAP), which aims to invest US\$500 million in early warning systems by 2025; and
- **Digital climate services for smallholder farmers** - through the Global Commission for Adaptation Action (GCA) Track on Agriculture and Food Security, which aims to expand access to climate services to 500 million small-scale producers by 2030.

WFP also provides its technical expertise through knowledge sharing initiatives in collaboration with UN and non-UN stakeholders. For example, WFP contributed to the “2020 State of Climate Services Report”¹⁰, led by the World Meteorological Organization (WMO) and together with 15 other international agencies and financial institutions through the Global Framework for Climate Services. In the report, WFP highlighted the importance of preventive actions based on effective climate and weather information, early warning systems and disaster risk assessments to prevent and respond to the adverse impacts of climate change on the most vulnerable.

Conclusion

WFP has recently started to engage in the discussions around the Santiago Network, and will continue to appraise opportunities for engagement and support as the loss and damage work of the UNFCCC evolves. WFP remains fully committed to provide technical assistance for the implementation of climate risk management approaches which help to address and minimize loss and damage in the most vulnerable countries.

¹⁰ [WMO, 2020](#)