# Reducing Vulnerability of the Rural Poor Through Adaptation and Mitigation

By

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# OUTLINE

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- Vulnerability in the context of climate change and poverty reduction
- Adaptation and Mitigation: Best practices
- Conclusion and policy recommendation

# Introduction

- Agenda 2030: Commits to eradicate poverty (goal 1.1 & 1.2)
  - Definition of the poor
    - \$1.90/day; 10% of global population
    - Mostly rural dwellers-climate sensitive activities
- This paper:
  - Address vulnerability through adaptation and mitigation
  - Focus is on best practices and lessons

# Vulnerability in the context of climate change and poverty Reduction

- Anticipate and mitigate; cope and recover
- Disproportionately affect the poor
  - Combination of socio-economic factors
    - Livelihood options & productive assets
  - 75%-subsistence rain-fed agriculture- huge poverty perpetuation risk
    - At least 25% climate related damages
    - Up to 80% losses-disrupted rainfall
- Empirically validated
  - Cyclone in Madagascar: poverty by 7.8% (Andrianarimanana, 2015)
  - Hurricane in Nicaragua : 165m joined extreme poverty group; 18% loss (Herera et.al., 2018)
  - Flood in Mumbai: 3 times losses for the poor (FAO, 2018)

# Vulnerability in the context of climate change and poverty Reduction Cnt'd

- Poverty is not the same as vulnerability though closely linked
  - E.g. poor with increased capacity to mitigate and adapt is less vulnerable to climate change shocks than a wealthier person who is not prepared
- Contrary trends in most developing countries: poor least prepared and highly vulnerable

#### Adaptation and Mitigation

Starting point is stratification of the poor: livelihoods etc vis-à-vis common known hazards and strategies that are currently working and scale them up

# **Mitigation: best practices**

- Reducing gravity of the shock/hazard
  - Early Warning System: Mozambique
    - Lessons
      - Community involvement
      - Regional cooperation
  - Climate Smart Agriculture
  - Mozambique: Massingir Dam
  - Malawi: Small Holder Crop Production and Marketing Programme (2007-2013)
  - Not all measures for poverty reduction have an impact on vulnerability
    - Lessons
      - Should be intentionally tailored to address both

# Adaptation: Best practices

- Ability to respond, adjust and learn
  - Social Cash Transfer Programmes: Conditioned/Unconditioned
    - Believed to be prone to abuse, however research provides contrary trends
  - Public Works Programme: Cash/food for work.
  - Productive Safety Net Programme (PSNP): Ethiopia
    - Lessons
    - Very effective adaptation measure
    - But sustainability of benefits: Cash transfer generally not substantial for effective poverty reduction
      - E.g. PSNP: 15kgs of grains + pulses and oil/month or cash equivalent (US\$0.75)
      - Malawi social cash transfer: 2006 monthly stipend US\$14
        - Need to balance the goals, targets and resources
    - Explore sustainable financing modalities without risking aid dependency

# Adaptation cont'd

- Climate Risk Insurance: transfer the risk
  - Direct or indirect
  - Indemnity or weather-indexed
- R4 Initiative: Weather-indexed. Ethiopia, Kenya, Malawi, Senegal and Zambia
- Kilimo-Salama: Weather-indexed. Digital operation, Kenya
- Lessons
  - R4: Self-sustaining and affordable, though can potentially marginalise the ultrapoor without labour
  - Public works programme can adopt R4 initiative focus of works that enhances community resilience
  - Kilimo-Salama: Viable digital approach for wider coverage. However, explore how the ultra-poor can be accommodated. One possibility, PPP.

# **Conclusion and Policy Recommendations**

- Though closely linked, poverty and vulnerability are different. So some strategies can effectively address vulnerability with minimal (if any) contribution to poverty reduction.
  - Intentionally design safety nets to address both
- Increase regional collaboration for early warning systems
- Explore incorporating climate insurance into social protection programmes
  - Covers sustainable financing for climate change adaptation

Thank you for your attention!