



# CLIMATE ACTION SUMMIT 2019



## **Efforts to make communities safer from climate change to be launched at Climate Action Summit include insurance, early warning, and investment in small-scale farmers**

**New York, 23 September** – Recognizing that the people who are most vulnerable to the impacts of climate change are almost always the people who have contributed the least to its causes, multilateral and unilateral institutions and the private sector are expected to make a series of announcements to help people avoid the dangers of climate impacts.

The resilience and adaptation announcements made ahead of the Climate Action Summit and to be made today demonstrate the need to deliver solutions for the most vulnerable, while also making systemic, transformative change for all.

Communities that are vulnerable to the impacts of climate change face an existential threat - to lives and livelihoods as well as existing and future development. The IPCC Special Report on the Impacts of Global Warming of 1.5°C states that urgent and transformational adaptation action is needed. Yet adaptation action is not keeping pace with the scale of impacts.

And the recent report of the Global Commission on Adaptation, “Adapt Now: A Global Call for Leadership on Climate Resilience,” shows that without adaptation, climate change may depress growth in global agriculture yields up to 30 percent by 2050. The 500 million small farms around the world will be most affected.

Climate impacts threaten our safety and prosperity and will affect all sections of society in all regions of the globe. Rising seas and greater storm surges could force hundreds of millions of people in coastal cities from their homes, with a total cost to coastal urban areas of more than \$1 trillion each year by 2050. Climate change could push more than 100 million people in developing countries below the poverty line by 2030.

The scale of expected impacts is such that business as usual is no longer an option for any country, community, business or financial institution. World leaders in every sector must build a vision for a climate resilient future that puts adaptation at the center of decision-making.

Ahead of the Summit, Egypt, the United Kingdom, Bangladesh, Malawi, the Netherlands, St. Lucia and the United Nations Development Programme launched a Call for Action for Adaptation and Resilience, bringing together a series of initiatives to underpin this vision. The adaptation and resilience package brings an often under prioritized issue into the center of efforts to deliver climate action. So far, 73 Member States and 15 organizations and institutions support the call for action.

During today’s summit, leaders underscored the economic burden of climate change and highlighted the importance of mainstreaming climate risk in financial and investment decision-making. A coalition led by the private sector – representing more than 20 institutions with USD\$8 trillion in assets under



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management – was launched at the Summit with the goal of developing and piloting the first framework for pricing physical climate risks in infrastructure investing. Willis Towers Watson, the World Economic Forum, the Global Commission on Adaptation, the government of Jamaica, and the United Kingdom launched the Coalition for Climate Resilient Investment (CCRI), which will lead the way in driving a systemic shift that facilitates capital investment in resilient infrastructure around the world, including in climate vulnerable geographies.

- The Coalition considers the poor pricing of physical climate risk to be a systemic market failure. Approximately US\$90 trillion will be invested in infrastructure globally between now and 2030, of which about 70 percent of that investment will go to low- and middle-income countries, whose societies and economies are typically more exposed to climate risks. CCRI will build the economic and financial case for making this investment climate resilient.
- The Coalition’s work will build on the recommendations of the taskforce for climate-related financial disclosure, to better reflect the materiality of the physical climate risk borne by investors. The Coalition recognizes the urgency of capital to reach the most vulnerable regions and communities, as well as the climate risks that could lead to crowding out of investment. The Coalition will help climate vulnerable countries attract investment in climate resilient infrastructure.

One concrete way to keep all communities safe is to establish early warning systems to alert people to serious climate-related risks like extreme heat, flooding and major weather events. The Risk-informed Early Action Partnership will help communities and businesses take early action to prevent disaster. The partnership brings together the humanitarian, development and climate communities and aims to make 1 billion people safer from disaster by delivering new and improved early warning systems and helping communities prepare the plans and resources needed to respond when disaster strikes.

These actions mean people will be able to protect their lives and livelihoods now and in the future, whether by having adequate time to secure shelter, food, water, and possessions or by protecting incomes by encouraging their children to seek more resilient forms of work. The partnership will be hosted by the International Federation of Red Cross and Red Crescent Societies, the world’s largest humanitarian organization.

In an effort to shield those vulnerable populations from the economic burden of climate impacts, the InsuResilience Global Partnership – Vision 2025 will ensure that 500 million poor and vulnerable people worldwide will be covered against climate shocks by pre-arranged risk finance by 2025. Governments, multilateral organizations, the private sector, and civil society will come together in an unprecedented way to protect 500 million poor and vulnerable people against climate shocks and cover 10 percent of annual disaster losses through pre-arranged risk financing instruments by 2025. The governments of Germany and the United Kingdom are enhancing risk finance and insurance programs, and the private insurance industry will commit up to US\$5 billion of risk capacity until 2025. The InsuResilience Global Partnership is closely cooperating with regional initiatives like the African Risk Capacity (ARC).



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Recognizing that traditional ways of life have already shifted dramatically in a changing climate, several donors have joined forces: The governments of Germany (60 million people plus microinsurance cover to 150 million people together with partners of the InsuResilience Global Partnership), Norway, Sweden, Switzerland, the Netherlands, The United Kingdom, and European Union along with the World Bank and the Gates Foundation commit to US\$750 million to help 300 million small-scale agricultural producers enhance their resilience to a changing climate, increase household incomes and food security, and reverse ecological decline by 2030. This is part of the Global Commission on Adaptation (GCA) work on Agriculture and Food Security for small-scale food producers.

Finally, at the regional level, African Heads of State support the African Adaptation Initiative to ensure the continent adapts to climate change in the immediate and longer term, working with and strengthening existing initiatives in Africa like the Adaptation of African Agriculture (AAA), the LDC Initiative for Effective Adaptation and Resilience (LIFE AR) and supporting regional cooperation in areas like the Lake Chad region. By 2025 the African Adaptation Initiative aims for all African countries to have doubled the amount of finance accessed and mobilized for adaptation.

## About the Climate Action Summit

The United Nations Secretary-General António Guterres is hosting the Climate Action Summit in New York ahead of the UN General Assembly. The Secretary-General called on all leaders – governments, the private sector, civil society, local authorities and other international organizations – to come with concrete, realistic plans that will boost ambition and rapidly accelerate action to implement the Paris Agreement.

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