

Decisions for the Seasons

Experiencing Climate Risks



Mission Finance
Climate Innovation Summit //

8 November 2018 // Dublin

#MissionFinance

EXPECT CONFUSION



Supported by:

Climate-KIC



Climate - KIC is supported by the
EIT, a body of the European Union



Climate
Centre

Inspired by a game developed for the World Bank

BASIC GAME RULES

1. Deliberate distortion of reality

No challenging the rules!

2. No challenging of the rules during the game

After the game – challenge away

3. No sharing of resources

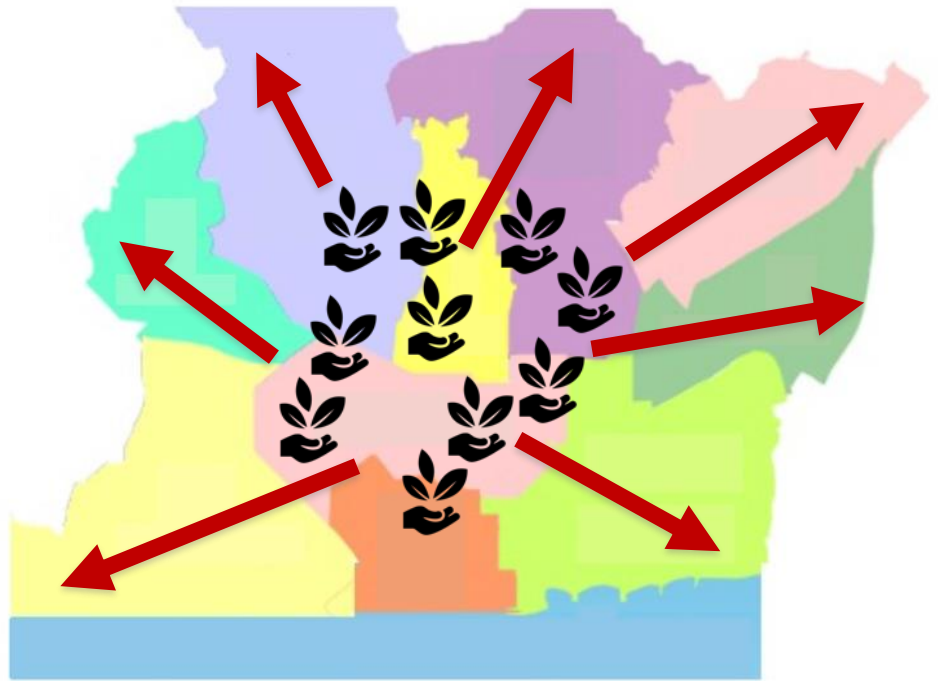
Though noble, this will not help the games' outcomes

YOU

Business in the
agricultural sector



Together in a province



Aim: Have a thriving agricultural business.

This leads to prosperity for people in the province.

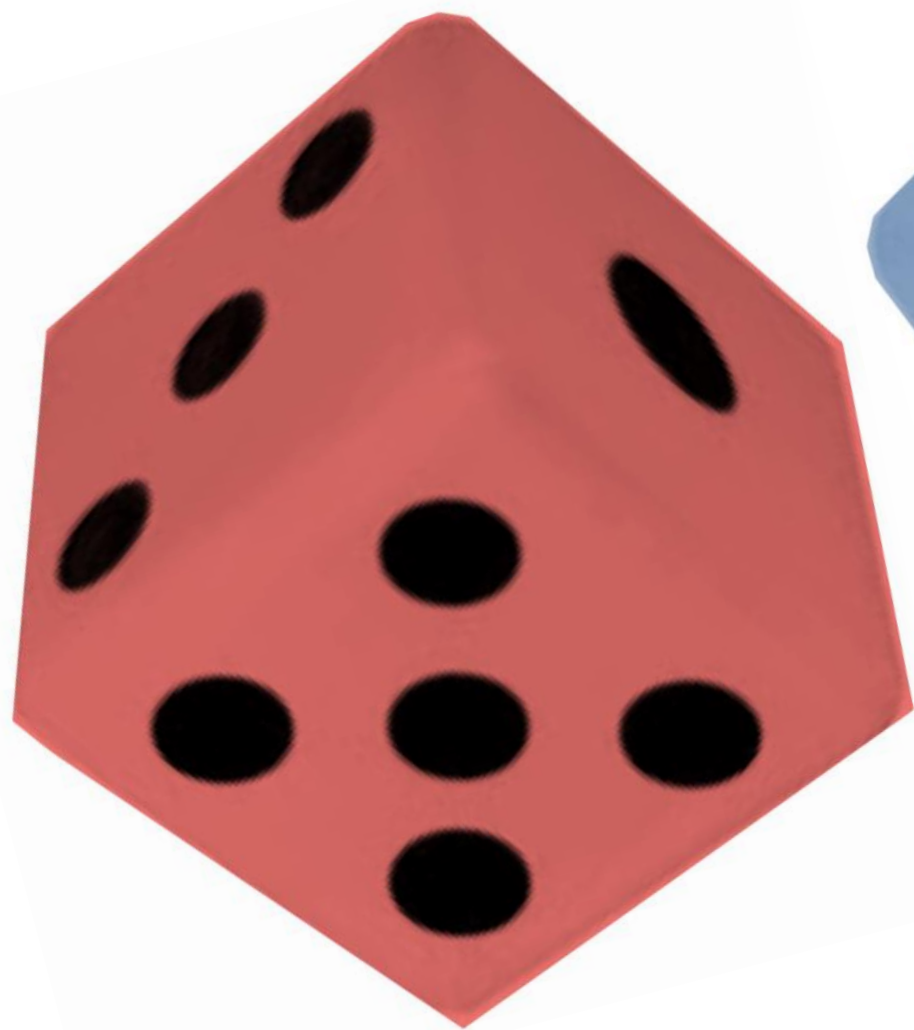


Image what prosperity could look like in your province

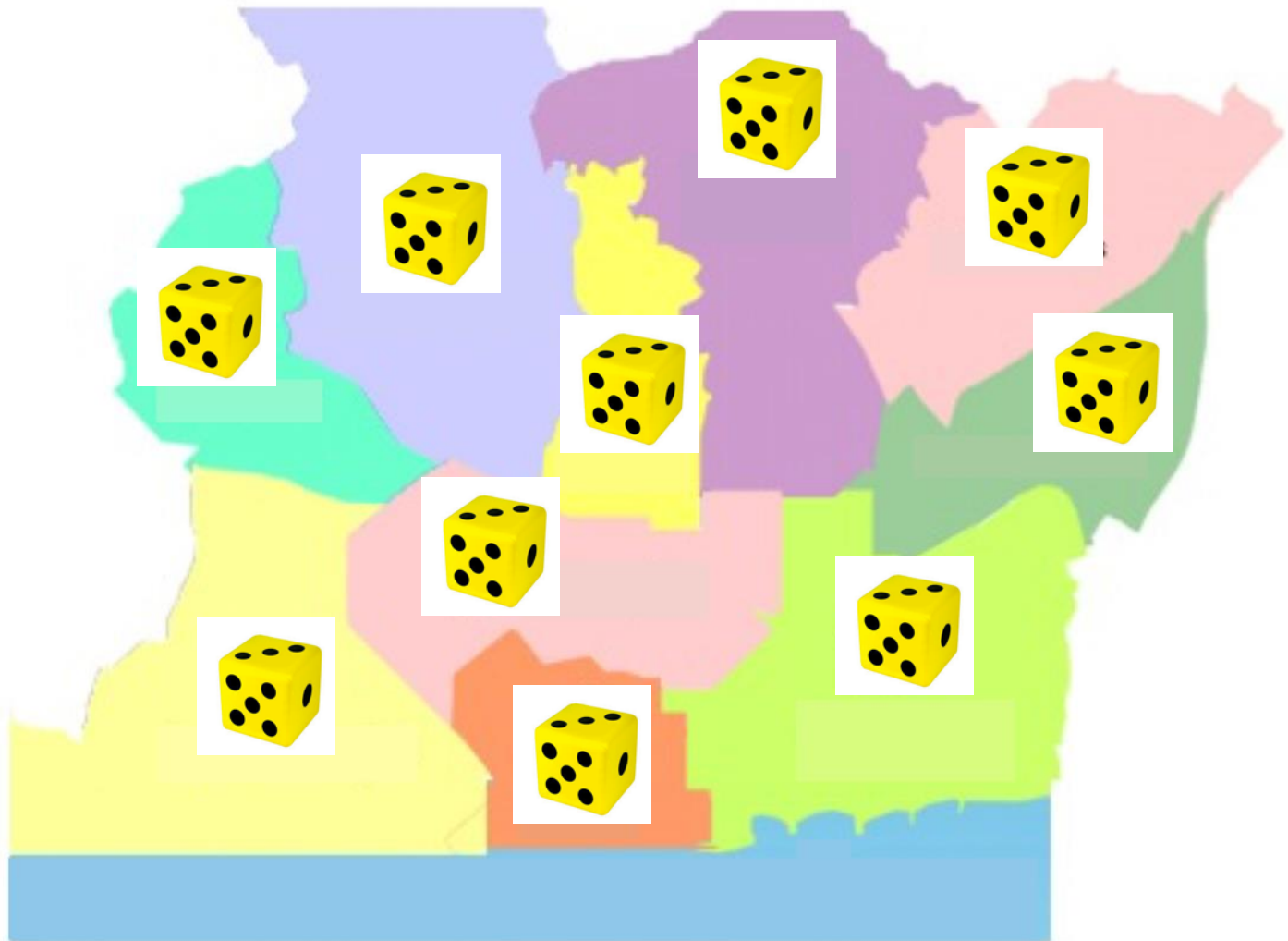
WINNERS & LOSERS

Winning province: *team with fewest crises*
(if tied: most prosperity)

Losing province: *Most crises*



1 year: 10 rolls: 10 districts



Need but don't have protection? Crisis!

Most thumbs up – most Prosperity

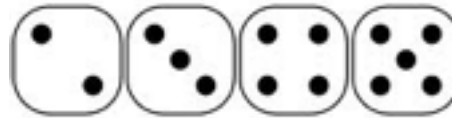
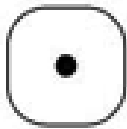
Drought insurance

Regular investment

Flood insurance

Insurance one of MANY options for managing risks.

There are many other things that can be done to REDUCE the potential impact of an extreme event.



Each business decides how to to invest for the next year

Extreme Event? → One 'protection' used each time a '1' or a '6' is rolled

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WINNERS & LOSERS

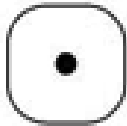
Winner: *province with fewest crises*
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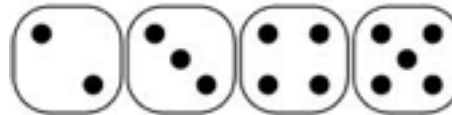
Year 1

Need but don't have insurance? Crisis!

Drought insurance



Regular investment



Flood insurance



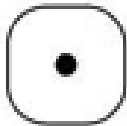
Each business decides how to spread its investments for the next year

Extreme Event? → One 'protection' used each time a '1' or a '6' is rolled

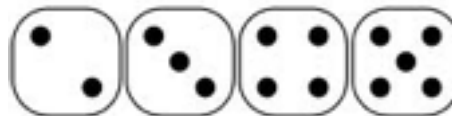
Year 2

Need but don't have insurance? Crisis!

Drought insurance



Regular investment



Flood insurance



Each business decides how to spread its investments for the next year

Extreme Event? → One 'protection' used each time a '1' or a '6' is rolled



Have you heard?

the CLIMATE is CHANGING!

What do we see: increase in the **intensity** and **frequency** of extreme weather events.

Hotter air holds more water vapour; the atmosphere will hold **7% more moisture per °C**.

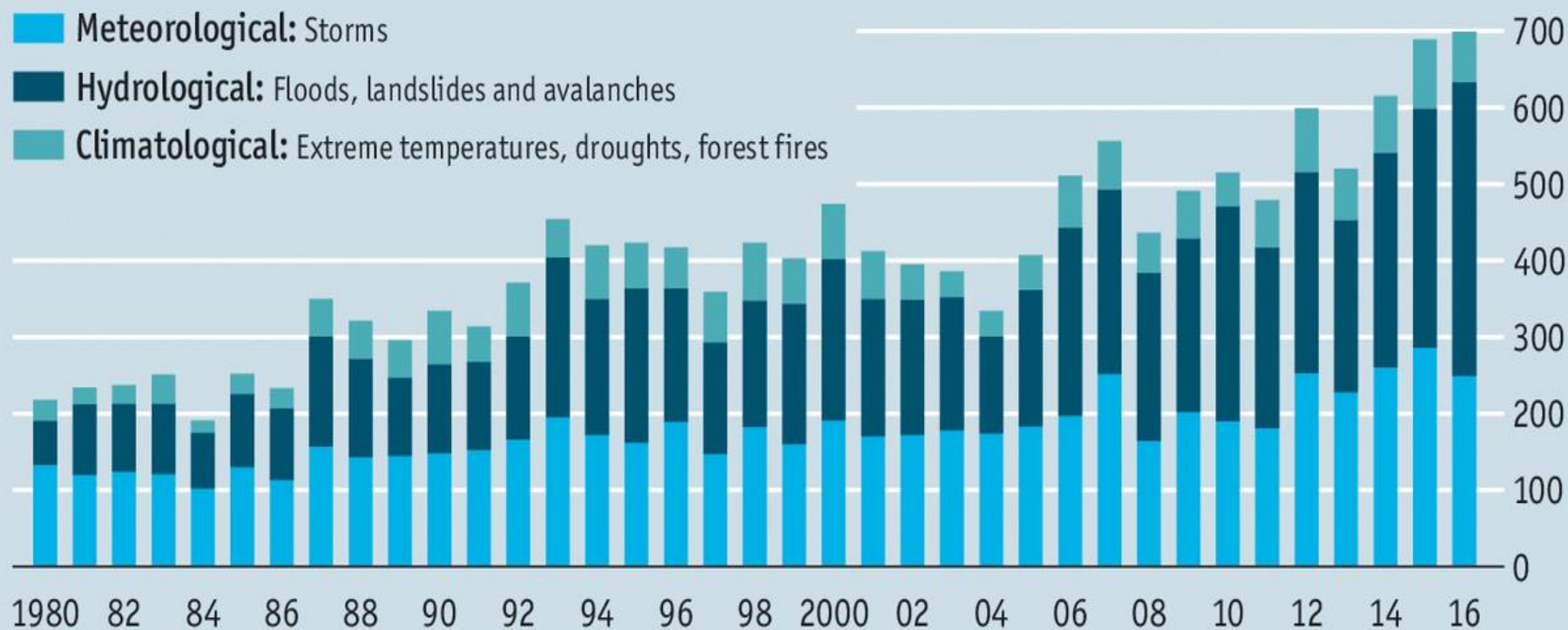
Wetter air can lead to **more of the heaviest rains**.

Increase in water related extreme events

1

A rising tide

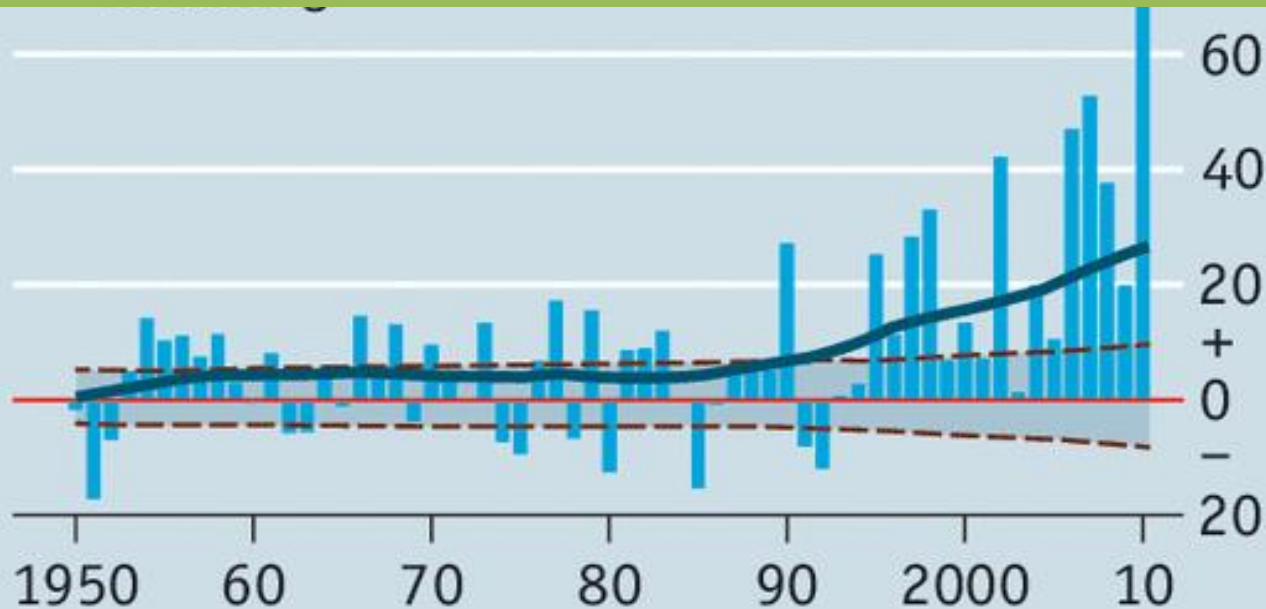
Natural-disaster loss events by cause



Source: Munich Re

2015 – researchers from the Potsdam Institute for Climate Impact Research found:

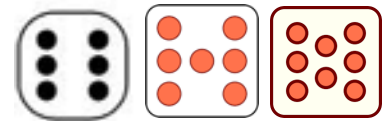
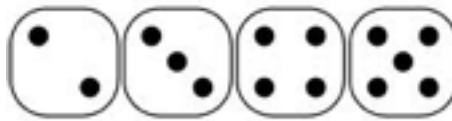
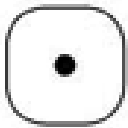
Planet earth experienced 12% more record-breaking downpours between 1980-2010 than might have been expected without climate change.



Source: "Increased record-breaking precipitation events under global warming" by J. Lehmann *et al.*, October 2015

Have you heard?

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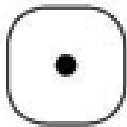
Each province decides how to spread its investments for the next decade

**Extreme Event? → One 'protection' used
each time a '1' or a '6-7-8' is rolled**

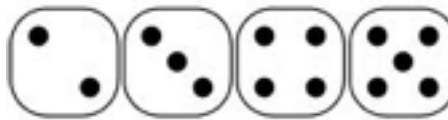
Year 3

Need but don't have insurance? Crisis!

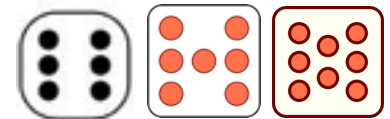
Drought insurance



Regular investment



Flood insurance



Each province decides how to spread its investments for the next decade

Extreme Event? → One 'protection' used each time a '1' or a '6', '7', or '8' is rolled

*Taken as a whole, the range of published evidence indicates that the net damage costs of climate change are likely to be **significant** and to **increase over time**.*

- Intergovernmental Panel on Climate Change

Debrief time

Form Trios

- What emotions and insights did you experience during this game?
- How does what you experienced link to your reality?
- What is one important way in which this game is different from reality?
- What (finance) systems could be improved to better deal with our changing climate?