

ACTIVITY SNAPSHOT

Global Index Insurance Facility

Photo Credit: GIFF

Agriculture Insurance Training in Johannesburg

More than 30 participants from seven African nations gathered in Johannesburg for two weeks in October 2016 to focus on the fundamentals of index insurance, and to discuss a wide array of development-related topics ranging from product design to project management. The workshop, entitled “Agriculture Insurance Training,” was organized by the World Bank Group’s Global Index Insurance Facility (GIIF).

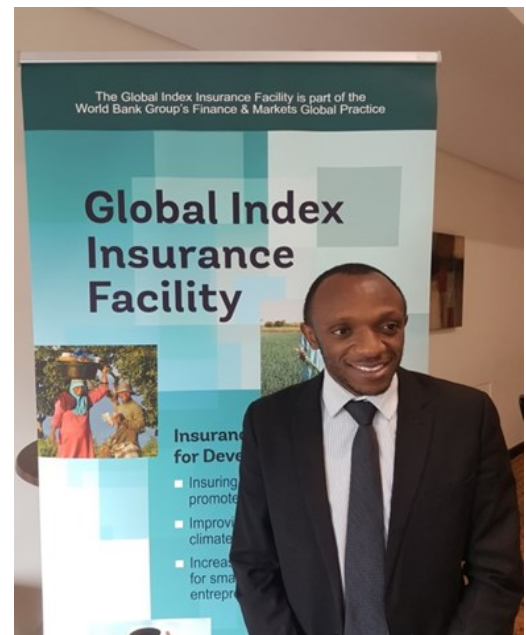
Co-managed by the International Finance Corporation (IFC), GIIF provides smallholder farmers, rural residents, microentrepreneurs and microfinance institutions with access to finance through the development and implementation of index-based insurance. This training program was part of GIIF’s capacity-building initiative, which is designed for stakeholders in the agriculture insurance sector.

Along with classroom sessions and presentations, the training brought together industry participants from various backgrounds and various countries – including Cameroon, Kenya, Mozambique, Nigeria, Tanzania, Uganda and Zambia – to learn from one another’s experience. The participants, who worked in various sectors of the African insurance industry, worked mostly in groups – allowing, for example, an agronomist in the private sector to exchange his or her knowledge on index insurance with a regulator in the public sector.

The workshop also offered rigorous technical training; allowing participants to dive into excel formulas, term-sheet evaluation and pricing, basis risk variations, portfolio pricing and reinsurance programming.

“This training has been very useful, because it helped me gain more knowledge and understanding on project design, evaluation and pricing,” said Damas Filied, Assistant Business Development Manager from UAP Old Mutual Group in Tanzania. “I’ll use this knowledge to help develop the capacity of my team.”

In addition to the in-class training, participants went on a field visit to a commercial farm and met with farmers who protect their crops with agricultural insurance. Facilitated by the National Treasury of South Africa and the South African Insurance Association, the on-site activity gave the participants deeper insight into how insurance can be instrumental in compensating for losses following harsh natural events. Climate change, and how volatile weather patterns can harm the region’s agriculture sector, was one of the key topics that focused participants’ concern.



“Index insurance is essential for food security, job creation and overall economy”

Elias Omondi

“Climate change can adversely affect agricultural productivity, can increase the incidence of diseases, and can lead to water and food insecurity as well as to general economic instability,” said Julie Dana, Lead Financial Specialist, in her opening address to the workshop. “This problem is so complex and at such a large scale that no single individual actor can provide a solution. Therefore, it is important that, at events like this, all stakeholders — including governments, the private sector and the World Bank and other development agencies — join together to address the potentially adverse impacts of climate change, particularly in the agriculture sector.”

A sense of urgency about combating climate disruptions was shared among many participants. “Index insurance is essential for food security, job creation and the overall economy because it is meant to protect the farmers against adverse climatic events,” said Elias Omondi, an Actuarial Officer from Kenya’s Insurance Regulatory Authority. “Technical capacity should be focused on ensuring that partners across the entire value chain understand the important role of index insurance.”

As part of its primary strategies, GIFF will continue to provide a platform upon which stakeholders can learn from one other and ultimately collaborate on building sustainable solutions for the development of index insurance. GIFF will also continue to promote innovative approaches, such as index insurance, to help vulnerable populations build their resilience amid the threat of climate disruptions.



Participants and GIFF staff at the “Agriculture Insurance Training in Johannesburg, October 17-28, 2016

About Global Index Insurance Facility (GIIF)

The Global Index Insurance Facility (GIIF) is a multi-donor trust fund that works to provide access to finance to small-holder farmers, microentrepreneurs, and microfinance institutions. GIIF supports the development and growth of local markets for indexed/catastrophic insurance in 31 developing countries, primarily in Sub-Saharan Africa, Latin America and the Caribbean, and Asia Pacific. The facility is part of the World Bank Group’s Finance & Markets Global Practice.

For more information, please visit www.indexinsuranceforum.org

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