Global Index Insurance Facility

MANAGED BY WORLD BANK GROUP

January Newsletter

TEAM NEWS

LAUNCH: The InsuResilience Global Partnership Annual Report 2020

Photo Credit: InsuResilience Global Partnership

The InsuResilience Global Partnership's Annual Report 2020, launched at the Climate Adaptation Summit 2021, is officially released. This year's Report comes in an interactive online format, highlighting climate and disaster resilience actions and solutions taken by various Programs under the Partnership, including various case studies and achievements. As a member of this global InsuResilience community, the GIIF Program also contributed to the Report with its field activities, facts and figures, and a case study on Zambia. The French version of the Report will be available soon. Read more.

EVENT: 2020 InsuResilience Global Partnership Forum – Interview with George Kuria, ACRE Africa CEO

Photo Credit: Ralf Rühmeier

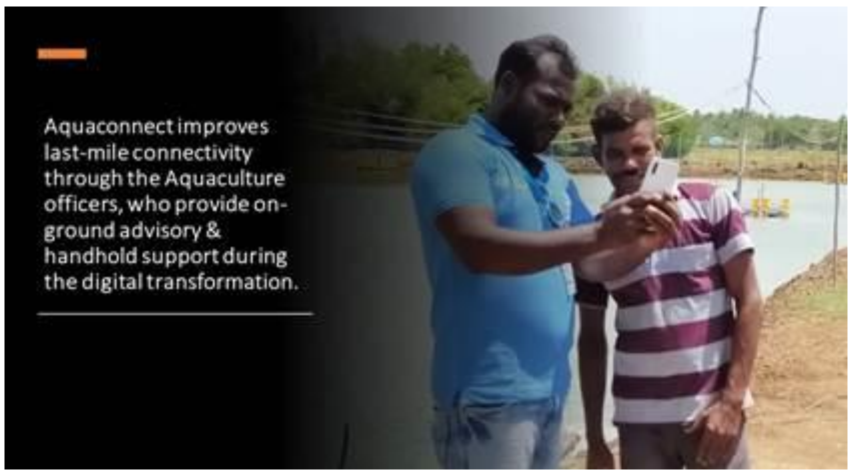
As an active member in this Global Partnership, GIIF participated in the 2020 InsuResillience Global Partnership Forum together with its long-term implementation partner ACRE Africa. The event was held as a 4-day virtual event from 7-10 December 2020. GIIF and ACRE Africa, represented by the Program Manager, Fatou Assah, and by the CEO George Kuria, respectively, attended the panel on "Monitoring and evaluation implementation at the project level", which focuses on the effects of Climate and Disaster Risk Finance and Insurance solutions. The session also covered the importance of local partnerships and ownership of these risk management strategies to building resilience. For the full 4-day event info, please click here and for the panel video here. Mr. Kuria shares with us his reflections on the session and the evolution of the monitoring and evaluation process within ACRE Africa over the years. Read more.

GIIF INTERVIEW

GIIF in Madagascar: Building Climate Resilience in the Agriculture Sector

GIIF HIGHLIGHT

Insurtech Winner ft. Aquaconnect Enabling Aquaculture Insurance through Farmer-Centered Technologies



Aquaconnect is a technology venture that promotes sustainability through data-driven farm advisory and marketplace solutions for Aqua Farmers. Its AI-powered mobile application transforms real-time data collected from the farms into impactful insights. They provide end-to-end services like farm management assistance, on-ground support, formal finance, access to market leveraging players on the value chain. Aquaconnect was awarded a winner under the Premiums & Claims category in the GIIF Agriculture Insurtech Challenge 2019. Watch the Aquaconnect video here.

GIIF BLOG

Digital Transformation in Agriculture Insurance: Developments and Challenges

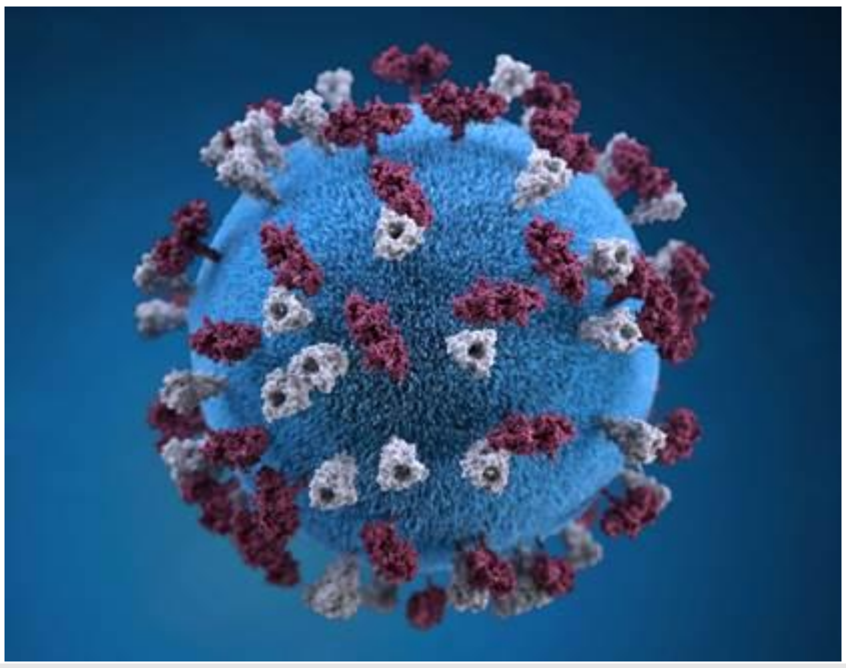


Photo Credit: CDC on Unsplash

Although the industry direct and indirect losses from COVID-19 have not been studied systematically, 2020 marked a difficult and transformative year for the insurance sector. Insurance companies, to navigate the difficulties and to minimize negative impact on their operations, have been increasingly using digital or insurtech solutions. The availability of digital insurance depends on regulatory requirements and internal technological infrastructures. The improvement of FinTech space made possible by strong market request will have direct spillover benefits to the insurance space. Read more.

Photo Credit: Sarah Farhat / World Bank

The climate of Madagascar favors a wide range of agricultural activity, including crop and livestock production, fishery and forestry. In addition, approximately 70 percent of the total land area is arable (FAO, 2016) and the agricultural sector makes a significant contribution to the economy. Most agricultural production is driven by smallholder farmers, who make up about 70 percent of the farming population.(FAO, 2019). However, Madagascar is exposed to a wide range of natural disasters such as droughts and floods which threaten agricultural productivity, as well as cyclones such as Enawo (2017) and Ava (2018), which resulted in significant damages in recent years. In addition, limited access to inputs and financing by smallholder farmers has also contributed to declining productivity and income in recent years.

Well-designed insurance programs can help to improve farmers' resilience, access to finance and high-quality inputs. To this end, GIIF plans to initiate a program that will support agricultural insurance market development in Madagascar. In this interview we are talking with Team Leaders, Sharon Adhiambo Onyango and Noro Aina Andriamihaja to get their views on the project in general, and on the agriculture insurance component in the country in particular. Read more.

GIIF in India: AgTech Underway

Photo Credit: Curt Camemark / World Bank

Agriculture Technologies (AgTechs) have demonstrated positive impact on improving the development of agriculture sector specially during the COVID-19 pandemic. By disrupting traditional supply chain, agtechs help to improve efficiency, reduce input cost, and increase farmers' income by raising farm gate price, etc. Adopting and scaling up AgTechs can unleash the potential of the improvement in agriculture sector, which is of great significance to countries with high proportion of employment in this industry. India has around 41% of its workforce employed in agriculture industry. There is significant potential of commercial opportunities for Agtechs to disrupt the existing model and create win-win solutions for farmers and consumers.

With this in mind, GIIF will be working in the country on the recently approved 'India AgTech Advisory ' project to contribute to the creation of a better business environment, the improvement of the business and regulatory environment that enhance AgTech competitiveness by the end of the 4-year project period. The team lead, Vijayasekar Kalavakonda, shares with GIIF his insights into the project and how it brings advancement to agriculture sector in India. Read more.

CLIMATE RESILIENCE NEWS

WBG Announces Ambitious 35% Finance Target to Support Countries' Climate Action

FARMER COMMUNITY OUTREACH

Creativity in Insurance Literacy Education in Rural Bangladesh

Agriculture is a source of employment for nearly 50% of adult population in Bangladesh contributing to 13% of GDP in 2019. The country is highly exposed to climate change risks: cyclones, floods, droughts and saltwater inundation due to tidal surges. According to a WBG study(link is external), high water stress due to rising temperatures will affect the yield of Aman and Boro rice, the country's two major staple crops, with potential yield losses as high as 70%. Further, soil salinity has affected 62% of coastal land and sea level rise may reduce available cropland by about 25% in Coastal Divisions. While the rationale of deploying agriculture insurance to protect farmers against such weather shocks is strong, one persisting challenge is lack of insurance awareness among the country's 12 million smallholder farmers.

Green Delta Insurance (GDIC), GIIF's implementing partner in Bangladesh, has been steadily developing its capacity on agriculture insurance. GDIC plays an important role in the ongoing Promoting Risk Mitigation Measures for Climate Change Adaptation (Surokkha), funded by Swiss Agency for Development and Cooperation (SDC) and Syngenta Foundation for Sustainable Agriculture (SFSA). The insurer contributed to designing a farmer education program on crop insurance through music and play. The community outreach uses storytelling to convey the basic mechanism of insurance and build rapport with the agrarian communities. Read more.

CLIMATE INSURANCE PUBLICATION

Climate Risk Insurance in the Caribbean: 20 Lessons Learned from the Climate Risk Adaptation and Insurance in the Caribbean (CRAIC) Project

The Climate Risk Adaptation and Insurance in the Caribbean (CRAIC) was one of the first projects of its kind in the Caribbean region and was designed as a project focused on learning and continuous improvement. The CRAIC project consortium aimed to capture the lessons learned during implementation, build on best practices, and—when required—take corrective action along the way.

The lessons learned by the CRAIC implementers are applicable to other small island and coastal states that have an interest in developing and implementing similar microinsurance schemes to support

Photo Credit: Patrick Perkins on Unsplash

On Dec 9, 2020, the World Bank Group announced an ambitious target for 35% of its financing to have climate co-benefits, on average, over the next five years. It replaces an earlier target of reaching 28% by 2020, which was in place over the last 5 years. The World Bank – IBRD and IDA – will also seek to ensure that 50% of this financing supports adaptation and resilience. These are two of several announcements about the Bank Group's commitment to helping developing countries address climate change and adapt to its mounting impacts. The Bank Group is already the biggest multilateral funder of climate investments in developing countries. The co-benefits target of 28% by 2020 was established as part of the Bank Group's First Climate Change Action Plan, covering 2016-2020. The new 35% average co-benefits target will be embedded in the Second Climate Change Action Plan, which will cover 2021-2025.

Between 2016 and 2020, Bank Group institutions – the World Bank, IFC, and MIGA – provided over $83 billion in climate finance to developing countries. 2019 also saw the largest amount of climate investments in the Bank Group's history. The Bank Group is working to help countries monitor and reduce greenhouse gas emissions. Through its programs, it is committed to helping countries meet their climate and development goals, including Nationally Determined Contributions (NDCs) under the Paris Agreement, reduced reliance on coal, and a strong, green, climate-resilient recovery. Read more.

vulnerable populations. This publication of lessons learned is intended to encourage a culture of learning and knowledge sharing on climate and disaster risk insurance, vulnerability, and closing the protection gap. Read more.

From Innovation to Learning: Creating Climate and Disaster Risk Finance and Insurance (CDRFI) Evidence Roadmap

There is growing awareness of the need for rigorous climate and disaster risk finance and insurance (CDRFI) evidence. MCII is shepherding a process to development an evidence roadmap to generate strategic analytics, promote evidence-based action, and develop (and share) best practice.

This process kicked off at a virtual workshop, hosted by the Munich Climate Insurance Initiative (MCII) in partnership with the InsuResilience Global Partnership, from 8-11 September 2020. The workshop was based on a series of evidence briefs, drafted by experts and capturing the state of knowledge in a variety of disaster risk finance domains. Read more.