

AN OVERVIEW OF GIIF PROJECTS IN MOZAMBIQUE

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**INDEX-BASED AGRICULTURE INSURANCE
IN MOZAMBIQUE: RECENT EXPERIENCE
AND PAVING THE WAY FORWARD**

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Maputo**

Global Index Insurance Facility - Overview

The Global Index Insurance Facility Program (GIIF), managed by the WBG since 2009, is a comprehensive risk mitigation program created to address the scarcity of affordable insurance protection against weather and natural disasters in developing countries.

The objective of GIIF is to promote the development of effective and sustainable markets for index-based weather and catastrophic risk (CAT) insurance primarily focusing on developing countries.

- In Africa, GIIF works with local insurers and insurance intermediaries by providing financial (in the form of grants) and technical support to help build their capacity to develop and market index-based products.
- GIIF also offers market-wide technical trainings to support overall market development, and conducts market/feasibility studies to assess agric. insurance market needs and structures.

The program is funded by the European Union/ACP Group of States, Japan, Germany and the Netherlands and aims to expand the use of index insurance as a risk management tool in agriculture, food security and climate change.

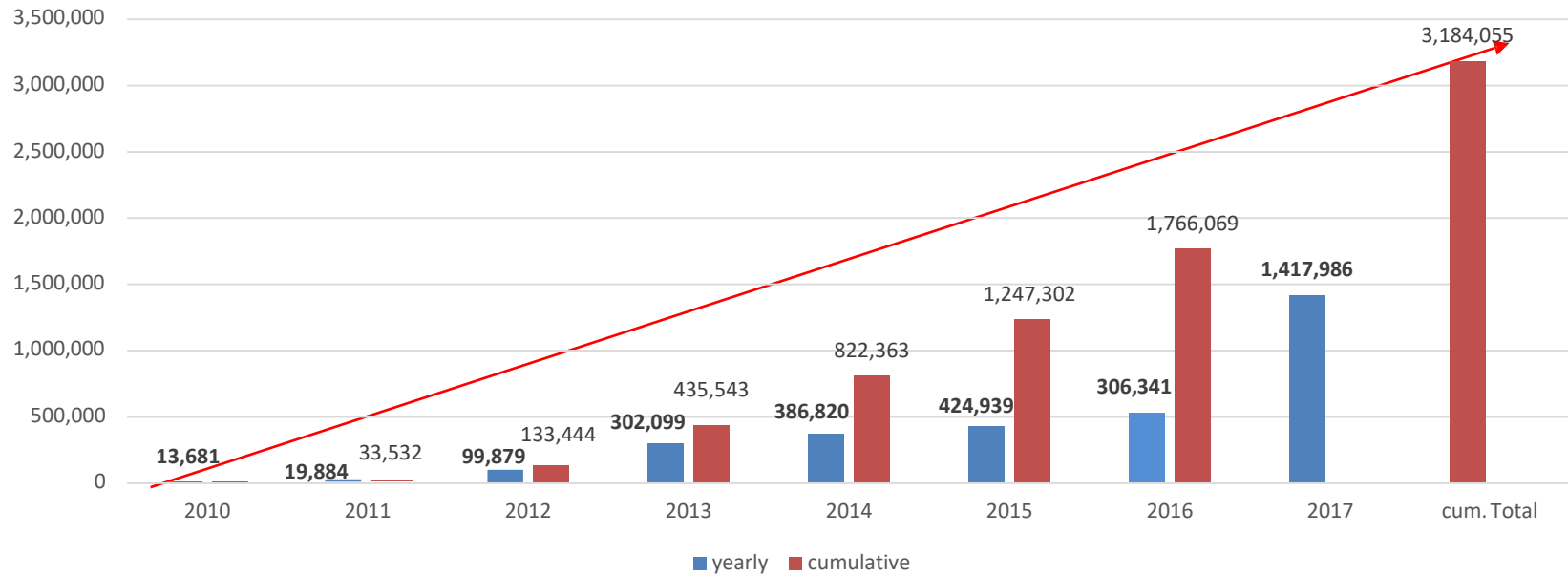
- *Payouts based on a pre-determined index from weather and catastrophic events.*
- *Lower administrative costs*
- *Quicker and more objective claim-settlements*

Greater **Access to Finance** for the vulnerable

- *To reduce hardships*
- *To sustain livelihood and food security*
- *To build resilience*

Program growth in numbers – to date

increase in numbers/ yearly & cumulative



More than 3 million contracts issued cumulatively by implementing partners between 2010-2017.



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Africa Region Projects

Country	Project Partner	Insurer (s)	Reinsurer(s)	Local/Regional Stakeholders or Aggregators	Project Timeline	Targets (# of Farmers/Polycyholders)	Results
Kenya	ACRE Africa	UAP Insurance, APA Insurance	Swiss Re, Allianz Re, Africa Re	Kenya Seed Company, Agri Seed Co, One Acre Fund, Farmer Cooperatives	Jan 2012 – Dec 2017	1 million (cumulative)	~920,000
Tanzania	ACRE Africa	UAP Insurance	Swiss Re	Vision Fund International, One Acre Fund, Farmer Cooperatives	Jan 2012 – Dec 2017		~120,000
Rwanda	ACRE Africa	UAP Insurance, SORAS	Swiss Re	Farmer Cooperatives, One Acre Fund	Jan 2012 – Dec 2017		~600,000
Zambia	Mayfair Insurance	Mayfair Insurance	Swiss Re, Allianz Re, Munich Re, Africa Re, GIC Re	NWK Agriservices, WFP (R4 Project), Ministry of Agriculture (FISP)	May 2016 – Dec 2019	400,000	~1.1 million (as at Dec 2017)
Mozambique: Project 1	Guy Carpenter	Hollard, EMOSE		Cotton Board, Asia Risk Centre, OLAM, SANAM, AgDevCo	Mar 2011 – Jun 2013	50,000	43,451
Mozambique: Project 2	Hollard	Hollard	TBD	TBD	Jul 2018 – Dec 2020	16,000	N/A
Cote d'Ivoire	AXA Cote d'Ivoire & Atlantique Assurances	AXA Cote d'Ivoire, Atlantique Assurances	TBD	TBD	Jul 2018 – Jun 2020	200,000	N/A
Cameroon	AXA Cameroon & ACTIVA Assurances	AXA Cameroon, ACTIVA	TBD	TBD	Jul 2018 – Dec 2020	35,720	N/A

Mozambique Capacity Building and Risk Transfer Pilot

The Global Index Insurance Facility currently has a project to support insurance companies in offering agricultural insurance to farmers in Mozambique. As part of the agri-finance component of the Agriculture and Natural Resources Landscape Management Project (ANRLMP)/SUSTENTA, insurance companies supported by GIIF will also receive premium support from MITADER who committed to providing premium subsidy funds.

How it works:

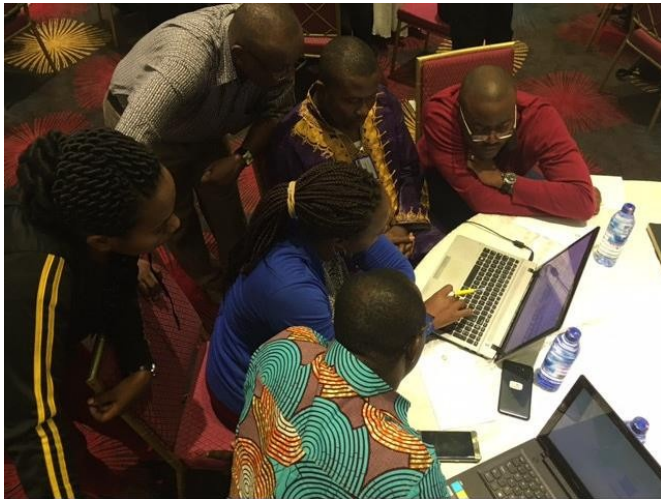
- Provide grant agreements to be disbursed over the next three years.
- The financial support would allow insurers to build its capacity, put in place internal structures to develop and manage index insurance products, and deliver general education and awareness-raising on the benefits of index insurance.
- 60 percent of the premium insurance cost will be borne by the beneficiaries of insurance and 40 percent will be covered by the ANRLMP. The premium cost will depend on the index insurance product design
- . Financial support would also cover the costs of activities with the overall outcome of providing customers in Mozambique with effective financial protection against defined weather and natural catastrophe risks that impinge upon their livelihoods
- The grant agreement disbursements are tied to performance indicators.

Status:

- Hollard Mozambique was selected as the insurance company that will receive support from GIIF through a competitive process and has signed a grant agreement for two years.
- GIIF in coordination with MITADER has conducted an index insurance feasibility study that consist of value chains analysis of cotton, maize, beans and cashew.

The pilot project timelines are July 2018 –Jun 2020.

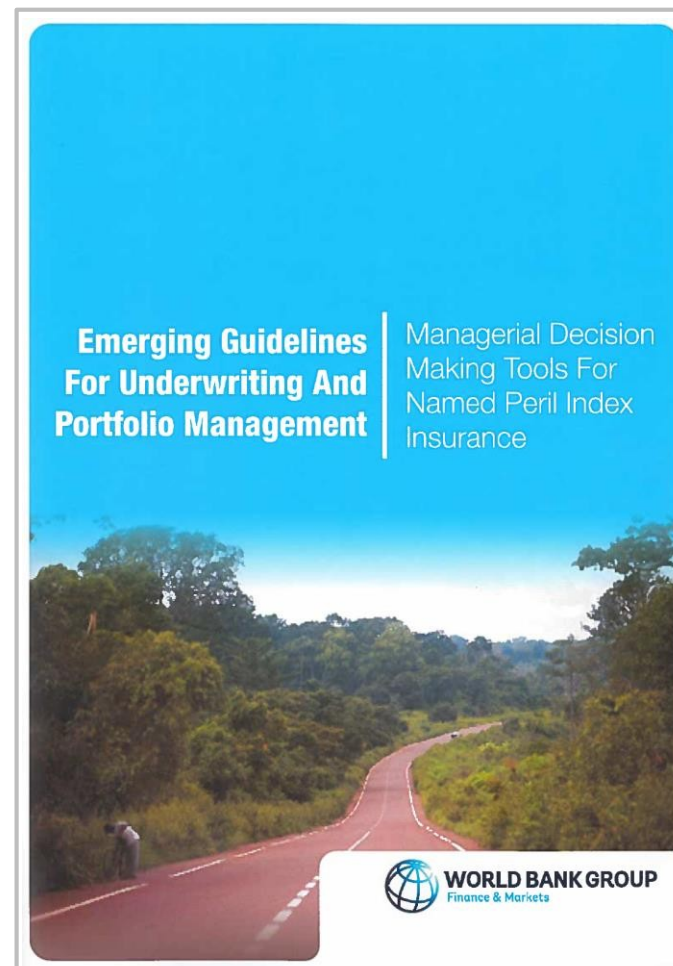
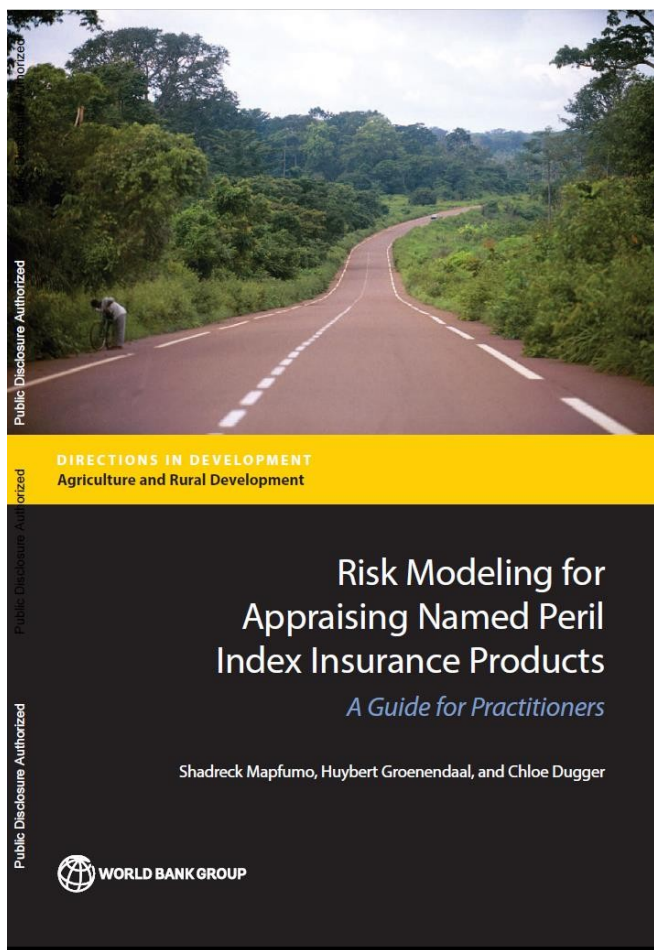
Training & Knowledge Management Activities



Capacity Building Technical Training/ Ghana



Which tools have been developed so far?



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Market Capacity Building Sessions and Workshops

South Africa, Ghana & Nigeria

Africa:

- Between Oct 2016 and Feb 2018, capacity building trainings covering fundamental index insurance product design, pricing and distribution concepts were held in South Africa, Ghana, and Nigeria
- Representatives of the insurance sector in Mozambique have participated in three trainings conducted by GIIF on agriculture insurance and risk modeling. Training participants from Mozambique came from the insurance regulator (ISSM), government entities (MITADER and IAM), and local insurance company (Hollard).
- The trainings have been aimed at CEOs, regulators and technical professionals from insurance companies, intermediaries, reinsurers, ministries of agriculture, and regulators.
- A higher level training session focusing on risk modeling techniques and their application in decision making is set to be held in Sept 2018.



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Visibility: The 2017 Senegal Conference

- *The 2017 Agriculture Insurance: Lessons Learned and the Way Forward* Conference in Dakar on 4-5 December.
- Around 200 industry participants, representing 43 nationalities.
- An important opportunity for practitioners, public and private sector specialists to exchange ideas, lessons learned and challenges on issues such as data, innovation, regulation and pricing, among others.

Press coverage & communications

Before:

- Press roundtable attended by 7 local reporters
- 2-min promotional video on GIIF (both English and French)
- 14-min video (in French) & a short version (edited for 4-min) capturing GIIF's involvement in Senegal

During:

- Media interviews with GIIF Program Manager and Senegalese officials
- GIIF-conducted 23 interviews with practitioners
- Online training course announcement (Platform & LMS)

After:

- Substantive coverage of the event by press in West Africa and beyond (e.g. AllAfrica.com; FinancialAfrik; Le Soleil)

le soleil online

Grâce à un programme de la Banque mondiale : 40 000 agriculteurs sénégalais assurés

Financial Afrik
Tout le monde assure

2,5 milliards d'agriculteurs ciblés par l'assurance indicielle



Thank You



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