On February 4, 2020, GIIF clients AXA Cameroun and ACTIVA Assurances held the first compensation ceremony for insured cotton farmers who experienced production losses during the 2019 cropping season. The event was organized together with the umbrella association of Cameroonian cotton farmers (CNPCC) and SODECOTON, the main cotton company of Cameroon. The event was sponsored by IFC, through the Global Index Insurance Facility (GIIF). The ceremony was chaired by the Governor of the Northern Region and was marked by an impressive turnout of close to a hundred participants, including staff from the Ministry of Agriculture (MINADER), the Prefect of the Northern Region, the Management of SODECOTON, AXA Cameroun, ACTIVA Assurances, and representatives of cotton farmers.

Ms. Hadja Mairamou, one of the beneficiaries in attendance, expressed her satisfaction with the compensation received: “Going forward, our wish is that more cotton farmers in the Northern region are educated on the benefits of agriculture insurance”. As for Mr. Dourwe Jean, a cotton producer from Mouvouldaye, one of the most severely affected areas by drought during the 2019 season, he declared: “We experienced significant production losses this year, therefore the compensation received today will enhance our trust in the product and will enable us to resume our farming activities”.

A total amount of about US$ 40,000 (XOF 23,680,000) was paid out by the pool of insurers in settlement of the claims received at the end of the season. Thousands of cotton farmers were severely hit by drought and excess rains in Northern Cameroon during the season. However, the initial policy covered only 2 regions during the first year of the pilot project. The compensation ceremony was therefore an opportunity for the leadership of cotton farmers, as well as the pool of insurers, to encourage trust and confidence among farmers and raise their awareness on the benefits of agriculture insurance – a product that lives up to farmers’ expectations.
and does pay out in the event of farm losses. At least 80,000 farmers are expected to be reached by the Project in 2020 and 135,000 farmers in 2021.

The Global Index Insurance Facility (GIIF), funded by the EC/ACP Secretariat, the governments of Germany, Japan, and the Netherlands, is a dedicated World Bank Group program that facilitates access to finance for smallholder farmers, micro-entrepreneurs, and microfinance institutions and expands the use of agriculture insurance as a climate risk management tool for food security and disaster risk reduction in developing countries.