Smallholder Farmers are Increasingly at Risk As COVID-19 Pandemic Continues

By mid-April 2020, COVID-19 had taken more than 180,000 lives, infecting over 2.6 million people globally. Given the fact that many countries are already undergoing economic and social hardships (e.g. a locust invasion severely disrupting agricultural production in several African countries, prolonged conflicts in the Middle East), the additional burden of the COVID-19 on the livelihoods of smallholder farmers necessitate prompt response to mitigate the compound risks for this vulnerable group. Read More.

Pioneering Digital Transformation of Insurance Business in Sri Lanka -- An Interview with Kasundari Dissanayake, Agricultural and Agrarian of Insurance Board

The Agricultural Agrarian and Insurance Board (AAIB), Sri Lanka’s national agricultural insurer, partnered with the
The African Federation of Insurance Companies (La Fédération des Sociétés d’Assurances de Droit National Africaines - FANAF) held its 44th Annual General Assembly in Libreville, Gabon, between February 17-20, 2020. This year’s high-level event provided a platform to approx. 1100 participants from (re)insurance companies, regulators, brokers, financial institutions to discuss the development of the sector in the continent in general, and their main challenges in operations, in particular. The event is also recognized internationally and praised for its technical panels on innovation, technology and policy components of the insurance industry.

During this year’s event, the World Bank Group’s (Global Index Insurance Facility (GIIF) and Disaster Risk Financing and Insurance Program (DRFIP), organized a presentation on the activities on the continent focusing on CLIMATE RISKS and FINTECH solutions applicable to the agricultural insurance. The session was attended by over 35 participants, among which CEOs and Heads of Departments of Africa Re, SCR, AXA Cameroon and Cote d’Ivoire, Africa Insurance Organization, CNAAS as well as the Secretary General of the CFA franc Zone Insurance Regulatory Body CIMA were present. The presentations triggered broad interest, specifically on innovative use of technology: on aspects such as Insurtech for product distribution, cost-efficient use of satellite technology for claims management, crop mapping, risk understanding/modelling. Click here to watch the video (in French) to recap the meeting. Moreover, click here to watch the interviews (in French) with GIIF’s public private partners.

Tenin Fatimata Dicko, Financial Sector Specialist, GIIF, delivered a presentation at the plenary session on “GIIF: leveraging technology solutions to tackle challenges in agriculture insurance.” Click the video here to recap the presentation and her post-event interview (in French). Antoine Bavandi, Senior Financial Sector Specialist, DRFIP, made a presentation on current work jointly done with the European Space Agency (ESA) focused on leveraging the use of satellite data for strengthened risk finance operations.


The ability to manage financial risk is especially important for people earning their living through agriculture. Many farmers only get paid once or twice annually, and households need to stretch their earnings across the year by saving or borrowing money. Price fluctuations, extreme weather, and crop or livestock diseases threaten their livelihoods. Households engaged in agriculture may thus benefit from formal financial services, which can facilitate farm investments and make it easier to manage financial emergencies.

Check out the World Bank Group paper which explores the topic of financial risk management in agriculture—how adults who rely on growing crops or raising livestock as their household’s main source of income manage financial risk and use financial services. The paper summarizes new data based on a nationally representative survey of about 15,000 adults in 15 lower-middle- and low-income Sub-Saharan African economies collected as part of the World Bank’s Global Findex database. The majority of these adults reported suffering a bad harvest or significant livestock loss in the past five years, and most bear the entire financial risk of such a loss. Most adults in agricultural households lack the financial tools — such as insurance, accounts, savings, and credit — that could help them manage financial risks. Read more.

International Finance Corporation (IFC) to modernize agricultural insurance provision in the country. Kasundari, the Team Lead for the project, joined us to share their experience in digitizing agricultural information as part of this project. The IFC’s project is funded by GIIF. Read More.

GIIF Interview with Ingrid-Gabriela Hoven, Director General at Germany’s Federal Ministry for Economic Cooperation and Development (BMZ)

The Future of Disaster Risk Pooling for Developing Countries: Where Do We Go From Here?

Developing countries require greater access to finance to respond quickly and effectively to disasters. Multiple tools are available to enable this, including national disaster funds, contingent credit lines, and parametric insurance products. This paper analyzes how a portion of the current disaster risk finance architecture is serving developing countries. It focuses on the three regional risk pools—CCRIF SPC (formerly the Caribbean Catastrophe Risk Insurance Facility) (referred to throughout as “CCRIF”); African Risk Capacity (ARC); and Pacific Catastrophe Risk Insurance Company (PCRIC)—that offer parametric disaster insurance to developing countries. Read more.

First Insights: Landscape of Climate and Disaster Risk Insurance (CDRI) in Asia and the Pacific
Disasters affect the poor and vulnerable people in the developing world adversely. These people suffer disproportionately due to their higher vulnerability and exposure and lower ability to cope and recover. The study focuses on 22 countries located in Asia and the Pacific region—Afghanistan, Bangladesh, Bhutan, Brunei, Cambodia, India, Indonesia, Laos, Malaysia, Maldives, Mongolia, Myanmar, Nepal, Pakistan, Philippines, Singapore, Sri Lanka, Thailand, East Timor, Vietnam, Fiji, and the Republic of Marshall Islands. Out of these, the study identified four key markets of Bangladesh, Indonesia, the Philippines, and Vietnam for greater focus because of their high vulnerability to disasters in general, while offering a contrast in approaching disaster risk financing given that the different nature of disasters that afflict these markets. Read more.

Both Ecosystem-based Adaptation (EbA) and Climate Risk Financing and Insurance (CRFI) are gaining attention as complementary approaches for climate change adaptation. Integrating approaches from EbA-CRFI has the potential to enhance adaptation and disaster risk reduction strategies. However, the synergies from these concepts have not been examined previously. Therefore, this study aims to close that gap and to present some first insights into how these mechanisms have been and could be combined better. Read more.

The case for integrating gender considerations into CRI starts with the assumption that women and men can be differentially impacted by, and engaged in, diverse CRI models. It builds on the evidence of the commercial benefits of integrating women as corporate clients, leaders, employees, and investors into private sector business models. This is complemented by growing evidence of the benefits of women’s financial service provider...
GramCover is a digital insurance platform company that co-creates, with insurers, simple and easy to understand insurance products at affordable price points and uses its technology platform to deliver these products to the rural Indian population to mitigate their production risks. Currently the company is exploring and refining Blockchain application in insurance to better serve farmers. Read more about Aquaconnect (1st runner-up) and Dhwani RIS (2nd runner-up) under this category.