



GLOBAL INDEX INSURANCE FACILITY



Global Index Insurance Facility

*Expanding Access to Index-Based Insurance
in Developing Countries*

January/February 2014 Newsletter (Issue #8)

What's New

GIIF Team Conducts Review of Index Insurance Pilots in Benin and Senegal

Video on Index Insurance Project in Indonesia to Protect Banks and MSMEs from Losses Following Earthquakes

GIIF signs two new agreements with MicroEnsure to expand index weather insurance to smallholder farmers in Rwanda and Zambia

Gridded database of "synthetic" historic weather data has been produced for Haiti and the Dominican Republic and will be delivered to clients this month.

In the Media

Index-based - IFC's twist on insurance for farmers (Devex)

Upcoming Events

Agriculture Insurance



Dutch Donor Support for Agricultural Insurance - the "Missing Link"

In an interview with the GIIF Team, Aaltje de Roos, Senior Policy Advisor - Department for Sustainable Economic Development at the Ministry of Foreign Affairs of the Netherlands, explains why the Netherlands provides substantial donor support for agri-insurance programs in developing countries, including the World Bank Group's Global Index Insurance Facility. The development of agri-insurance supports self-reliance and reduces the vulnerability of low-income farmers. Public-private cooperation is crucial for the development of agri-insurance markets in developing countries. [Read more.](#)



IFC, EU and Syngenta Foundation to Expand Weather Insurance to One Million East African Farmers

IFC, a member of the World Bank Group, signed two grant agreements, with a combined value of \$3.9 million, with the Syngenta Foundation for Sustainable Agriculture to expand index-based insurance to small-scale farmers in Kenya, Rwanda and Tanzania. Index-based weather insurance can protect against the adverse effects of climate change and help to strengthen food security in rural communities. It is estimated that the project

2014 Conference on Insurance/Reinsurance of Agricultural Risks- Jan 29-31 2014 -Morocco

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About the GIIF Initiative

Launched in 2009, the Global Index Insurance Facility is a multi-donor trust fund financed by the European Union, Japan and the Netherlands and implemented by IFC and the World Bank.

GIIF's objective is to expand the use of index insurance as a risk management tool in agriculture, food security and disaster risk reduction. According to a recent UN Officer for Disaster Risk Reduction report, natural disasters have cost the global economy \$2.5 trillion since 2000 and affected millions of people.



IFC Agri-Insurance Expert Gary Reusche on PPPs and Portfolio Approach

Gary Reusche explains why agri-insurance is an effective ex-ante risk management strategy for farmers, governments and financial institutions. Yet while lenders are critical to efforts to build agri-insurance markets, lenders are wary of high premium costs to cover the insured risks. Public-private partnerships and portfolio insurance can offer the market the affordable and sellable quality agri-insurance products they need to insure rising agricultural risks. [Read more.](#)



Benjamin Collier, Wharton Business School, on Index Insurance and Disasters

Collier argues that index insurance is best suited to cover disasters which occur every 20 years or greater because severe risks lower premium costs. "I am sensitive to the plights of households that experience climate-related wealth shocks every three or five years, but risk reduction, not insurance, needs to be the priority for them." For more frequent adverse weather shocks, "households treat the insurance as an investment; if it doesn't pay within a year or two, they stop buying. Rather than changing contracts to pay more frequently, as some have tried, we need to make contracts more relevant." [Read more.](#)

News from the GIIF Team

- GIIF's partner in Sri Lanka, Sanasa Insurance, won a 2013 National Agri-Business Sector award.
- GIIF Program Manager Gilles Galludec presented at the ACP

Open House in Brussels in October. More than fifteen EU-funded programmes aimed at sustainable growth in ACP countries were showcased.

- GIIF Team members Gilles Galludec and Vijay Kalavakonda spoke at the Munich-Re sponsored Microinsurance Conference in Jakarta., November 12-14.
- The GIIF Team met with GIIF donors in December in Brussels.
- GIIF Program Manager Gilles Galludec and GIIF WB Program Coordinator Fatou Assah, Planet Guarantee, Swiss Re and GIIF partner PlaNet Guarantee attended the international conference on Insurance and Reinsurance of Agricultural Risks in Marrakech, Morocco (January 29-30).

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