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What's New in the Global Index Insurance Facility

MICROENSURE'S WEATHER INDEX INSURANCE PRODUCT PILOT IN TANZANIA

MicroEnsure's product pilot project in Tanzania is providing weather index insurance coverage to Tanzanian cotton farmers through the Tanzanian Cotton Board. The pilot is supported by the Gatsby Foundation, the local underwriter Golden Crescent, and reinsurance company Swiss Re in the context of its technical partnership agreement with IFC/Global Index Insurance Facility (GIIF).

The Tanzania program covers the value of the inputs provided on credit to farmers. This enables farmers to increase their productivity knowing that their loans will be repaid in the event of a drought.

The pilot began in December 2011 and will run until the end of April 2012. Initially, it has covered 24,000 farmers with a total premium paid of 23.5 million Tanzania shillings (~\$14,700 USD). If successful, we will evaluate the pilot's potential to be developed into a full-scale program extending coverage to 400,000 farmers.



GIIF's involvement in the pilot

GIIF's covered the cost of data procured from EARS, an institution based in the Netherlands that designs alternative index insurance products using the relative evapotranspiration (RE) measurement. An alternative index was necessary since weather data sources were not sufficient to provide a robust index product in Tanzania.

GIIF support to Swiss Re via its technical partnership also facilitated the engagement of Swiss Re capacity to advise the project partners and train the local partners.

GIIF Project Updates

- Five active client-facing implementation projects - Benin, Burkina Faso, Cote d'Ivoire, Kenya, Mauritania, Mali, Mozambique, Niger, Rwanda, Senegal, and Togo
- One active client-facing project in Sri Lanka and one feasibility study in Bangladesh.
- One product pilot launched in collaboration with MicroEnsure in Tanzania
- Three technical trainings of insurers and reinsurers completed in Mozambique, Senegal, and Tanzania. Sixteen insurance companies trained on index insurance product implementation. Nine index-based insurance products designed and launched in Burkina Faso (2 products); Kenya (3 products); Mali (1 product); Rwanda (2 products); and Tanzania (1 product); Seven local and local subsidiary companies underwriting index insurance contracts
- Eight countries with active Policy and Regulatory Capacity support projects, in close collaboration with the World Bank, for developing insurance frameworks with public and regulatory authorities that support index insurance adoption and scale-up.
- 81,508 farmers insured by GIIF-supported projects to date either via individual contracts or group contracts

Funding Updates

- Additional US\$1 million approved by the Japanese Ministry of Finance to support GIIF's expansion, bringing the total Japanese contribution to US\$3 million to date.

GIIF BROCHURES & FACTSHEETS



[Index-Based Insurance in Francophone West Africa](#)

PlaNet Guarantee and IFC's Global Index Insurance Facility (GIIF) program are working together to develop the first regional management platform for weather index insurance in Francophone West Africa.



[Weather Index Insurance in Rwanda](#)

The factsheet is an overview of IFC's GIIF grant agreement with MicroEnsure which helps the agency design new and affordable index based insurance products and develop an effective distribution network to expand outreach to low income farmers.



[Weather Index-Based Insurance in Kenya](#)

GIIF program entered into an agreement with the Syngenta Foundation to help design new and affordable index based insurance products and develop the technology of the SMS-based mobile platform to expand outreach to low income farmers.

Upcoming Events

The Joint Research Centre of the European Commission and the International Research Institute for Climate and Society are jointly organizing a technical meeting in Ispra, Italy, May 2-3, 2012 on "**The Challenges of Index-based Insurance for Food Security in Developing Countries**". The meeting will focus on the role of indices in index-based crop insurance systems. The GIIF Program Manager will deliver a presentation of the Program's experience in implementing weather index insurance to date.

For more information on the meeting and its partners, please download the flyer [here](#).



GIIF and its project partners at the 1st Annual Workshop in Kenya in May 2011

GIIF is selecting the date (proposed late August or early September 2012) for its **Second Annual Projects' Workshop**. The purpose of the workshop is to:

- Bring all active projects in Africa together to share experiences and challenges faced during implementation
- Have the projects present on their progress and share mutual learning to support scale-up
- Provide technical training related to satellite technology use in index insurance products design
- Provide grantees information on reporting and knowledge management



Donors and Partners

The European Commission is the primary donor to the initiative and has committed EUR 24.5 million to facilitate reaching the objectives of the facility. The GTF is also supported by Japan's Ministry of Finance with a grant of US \$3 million, and the Dutch Ministry of Foreign Affairs, which provided US \$500,000 to establish the facility.

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<http://www.ifc.org/GIIF>
<http://www.ifc.org/ifcext/globalfm.nsf/Content/Global+Index+Insurance+Facility+Factsheet>