



World Food Programme



Insurance experience

Consultative Forum, Dhaka

SAVING
LIVES
CHANGING
LIVES

Mathieu Dubreuil
Climate & DRR Unit - Policy & Programme Division

4 November 2019



The role of insurance for WFP

WFP works with the **most vulnerable** communities to increase **climate resilience**

→ End hunger

In 2017, the world had **821 M hungry people**. A 2° temperature increase = potentially **189 M** more!

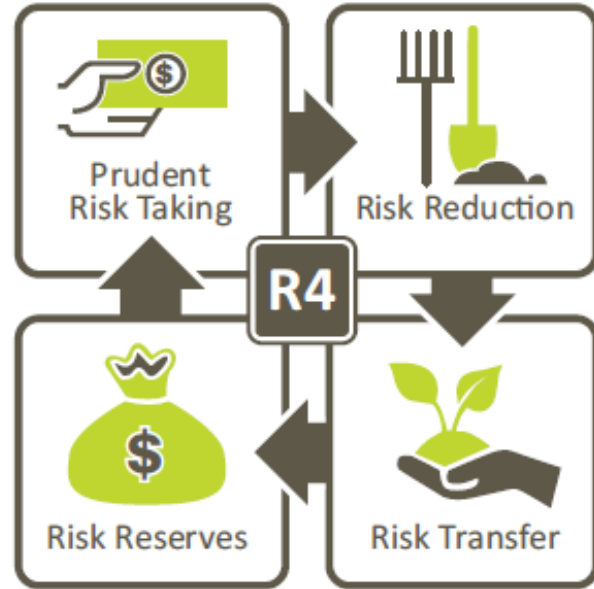
Social protection system is the main entry point, but

- Can SP efficiently protect most vulnerable rural households when a climate shock occurs?
- What is the role of private sector?

For WFP, insurance is a transfer modality that has 3 benefits:



Microinsurance in the R4 Approach

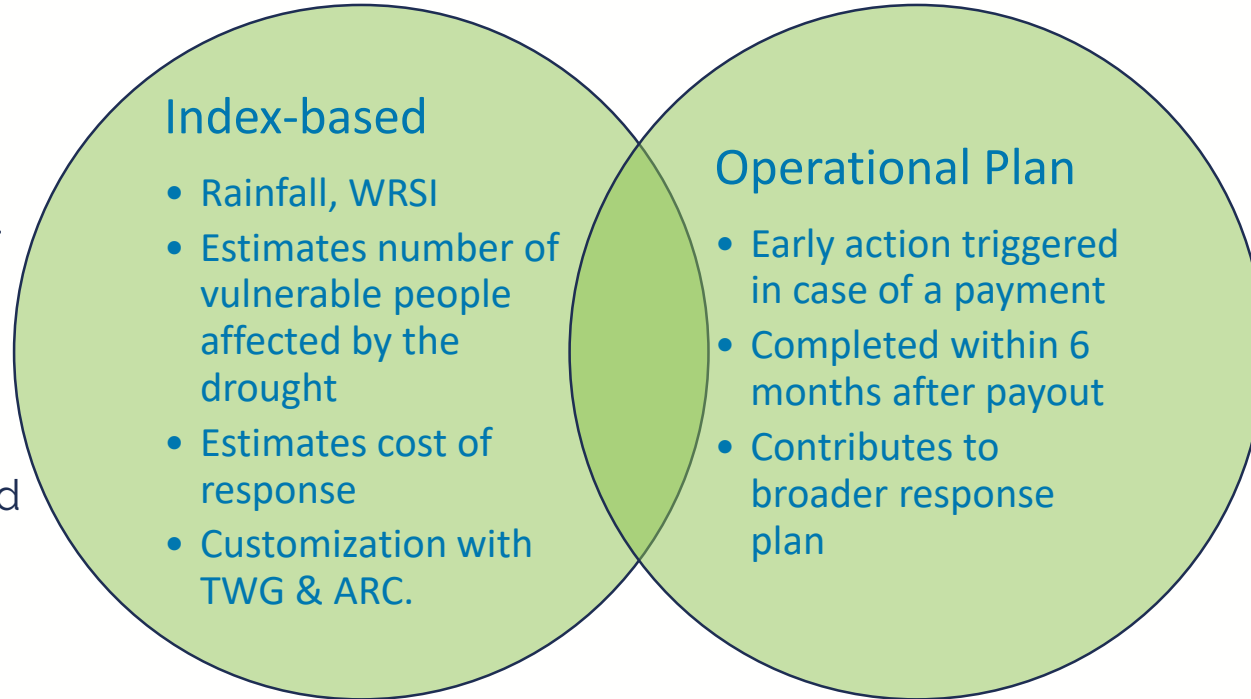


R4 focussed on:

- Microinsurance. Not a standalone
- Insurance as a transfer mechanism
- Around **500,000 beneficiaries** in 7 African countries. Rapid expansion ongoing

Social Safety Net

Insurance in the ARC Replica Approach



Replica :

- Uses the same index, same attachment point... up to coverage of the government.
- Possibly subscribes even if government cannot.
- WFP provide technical support to governments.
- Response aligned with government's response plan

Around **1 M beneficiaries** in 4 African countries. Extension to a 5th this year.

Key challenges for micro & macro

Buy in, understanding and ownership by local stakeholders

Political context (sovereign insurance)

Expansion / scale up depends on donors' & governments' money

Efficient integration is very challenging, due to seasonality of all the activities.

Large scale operations need to be very precisely run.

Regulation gives a framework, but political support is even more important.

No payout means participants' satisfaction is low. Building deep understanding of when insurance is efficient is crucial, but it takes years.

Useful lessons learnt

Insurance : a shock responsive social protection tool

Training is a long term investment

R4 has proven efficiency regarding resilience building to climatic shocks