

PPPs as driver for agricultural and climate risk insurance

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GIZ Development Partnerships



Federal Ministry
for Economic Cooperation
and Development

develoPPP.de



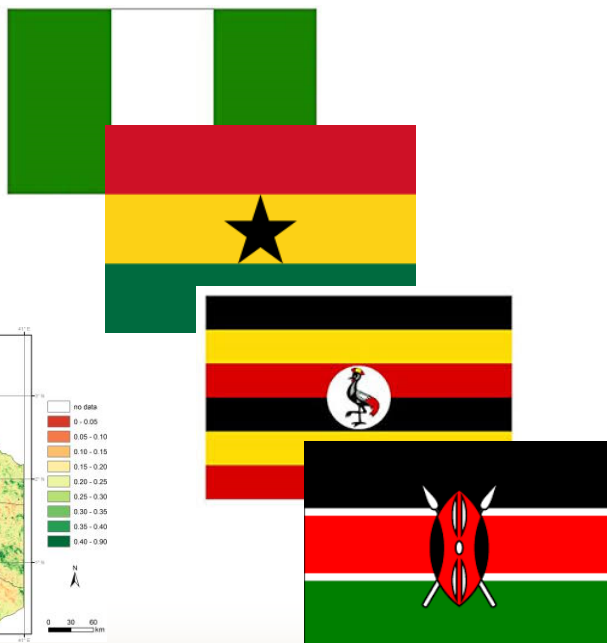
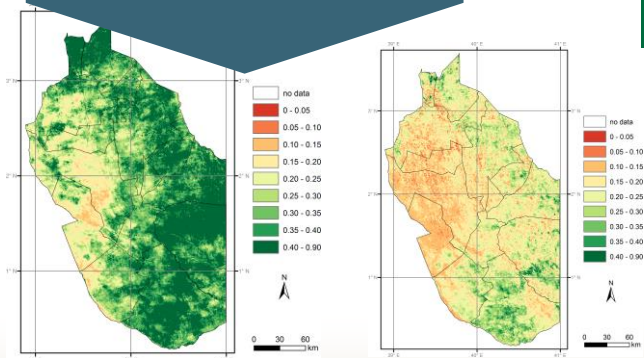
Strategic Alliance



Nov 2015 - Dec 2018

Objective: To improve governments' access to smart, direct and indirect climate risk transfer solutions at sovereign and sub-sovereign level

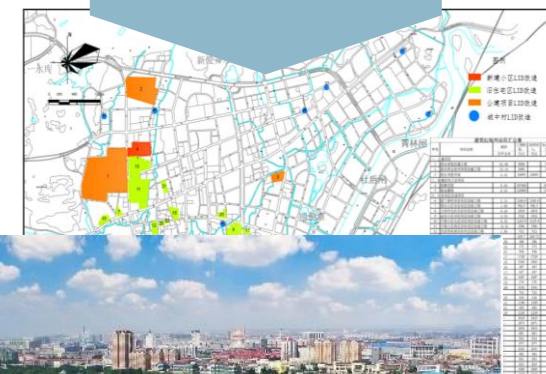
1. Agriculture insurance in 4 African countries



2. Disaster Risk Finance and Insurance with ASEAN



3. Urban Resilience in China



Pilot projects



Strategic Alliance



Jan 2018 - Dec 2020

Objective: To develop risk management approaches for climate and health risks

1. Risk Management in SME park in Morocco



2. Urban Resilience in Ghana



3. Tackling health expenses in India





Component SME Park – Morocco

⚠️ Current Situation



- Region with flood/drought exposure
- Park Aït Melloul hosts 300 SMEs with high relevance for agricultural exports and local employment
- GIZ engaged o/4 years on better climate risk resilience in the park
- Park tenants voiced interested in insurance cover

🎯 Objective



- Reduce financial exposure of park tenants to flood risks
- Enabling faster business recovery after a disaster
- Developing dedicated insurance products (accessible, affordable)
- Expand approach to other parks

☔ Project activities

Mission May 2018

- Exchanged with regulator on a framework for weather-based parametric insurance
- Discussed with Ministry of Finance new NatCat law
- Workshop in Agadir saw good participation from communities / industries but little response from park tenants

Now

- Awaiting risk exposure results from the ACRI+ project (imminent) & working with Allianz Maroc on risk transfer product (July-September)
- Engage with park tenants & other parks (September - December)



Component Urban Resilience – Ghana

⚠ The challenge



- The 2015 floods claimed 195 lives; ranked among the top 10 deadliest disasters worldwide.
- More frequent: 10 major floods in 7 years (2010-2017); 8 in the previous 20 years (1989–2009).
- Increased exposure: Accra has 16% of Ghana's population, provides 25% of the national GDP, but occupies less than 1.4% of Ghana's total land area.

👉 Current response

- World Bank is implementing a \$750m project to improve drainage and flood risk management.
- These structural measures can lower the flood risk in the area (Phase I focusing on Odaw, a major river in Accra).
- Ten automatic weather stations are being installed in Accra as well as equipment for measuring water run-offs.



☔ Our planned contribution



- Insure public assets in three municipalities in Accra against floods: AMA, Ga East, Ga West (aligning with the World Bank project).
- But first, prepare the grounds for insurability: identify the risks, quantify them, reduce them and then transfer the residual risk.
- We have been invited to join the Steering Committee for the World Bank project.



Public Private Partnership



June 2018 - May 2021

Objective: To increase access to weather index insurance for smallholder farmers in Zambia



PRODUCT

- NWK offers an index-based climate risk insurance as well as a credit-linked funeral insurance to smallholder cotton producers
- Premium is pre-financed
- No subsidies involved

EXPECTED RESULTS

- Up to 70,000 farmers to benefit from farmer trainings
- 35,000 smallholder farmers to sign up for weather index insurance by the end of the project
- Further actors in the agricultural / insurance sectors have expressed interest in the training approach





Thank you for your attention

