



World Food Programme

SAVING LIVES  
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# Inclusive risk finance to build the resilience of the most vulnerable and food insecure in LAC



Inclusive risk finance to build the resilience of the most vulnerable and food insecure in Latin America and the Caribbean

A wide range of shocks, from extreme climate events, to financial crises and pandemics, threaten people's livelihoods, food security and nutrition across Latin America and the Caribbean (LAC). The year 2020 illustrates these challenges clearly, with countries experiencing a combined impact of the COVID-19 pandemic - a major crisis that is leading to the most severe contraction in the region's historical economic activity, compounded by major weather events including hurricanes that hit Latin America in September 2020. These shocks disproportionately affect poor and food insecure communities.

As he connects to local protection systems so that they are more shock-resilient is increasingly being seen as a collaborative measure to channel finance to affected populations.

WFP globally has been a key proponent of promoting risk finance as a part of the plans for integrated risk management approaches. The Latin America and Caribbean region offers a series of opportunities to nationally scale risk finance solutions to support the region's most vulnerable and food insecure.

Risk finance is an important tool in support of the mandate of the World Food Programme (WFP), to both save lives and change lives. It helps enable governments, communities and individuals with a range of financial instruments that provide timely resources to people so they can overcome the financial and food security impacts of shocks. Financial services also contribute to more evidence outcomes when designed to be inclusive. For governments, helping these instruments



December 2020

2022

# Inclusive Risk Finance: Central America

## Guatemala (micro) 9,437 farmers and SMEs insured (81% women)

Product: Parametric Insurance  
Insurance partner: **seguro productivo**  
PMA-ASRURAL

## El Salvador (micro) 2,143 farmers and SMEs insured (46% women)

Product: Parametric insurance  
Insurance partner: **Emprende SEGURO**

## Nicaragua (micro + macro) 299 farmers insured (first season) (61% women)

Product: Traditional agricultural insurance  
Insurance partner: **Seguro Agrícola**  
Macro: TC policy top-up that can generate up to a US\$ 2 Million pay out

## Belize (macro) Macro: TC and XR policy top-up

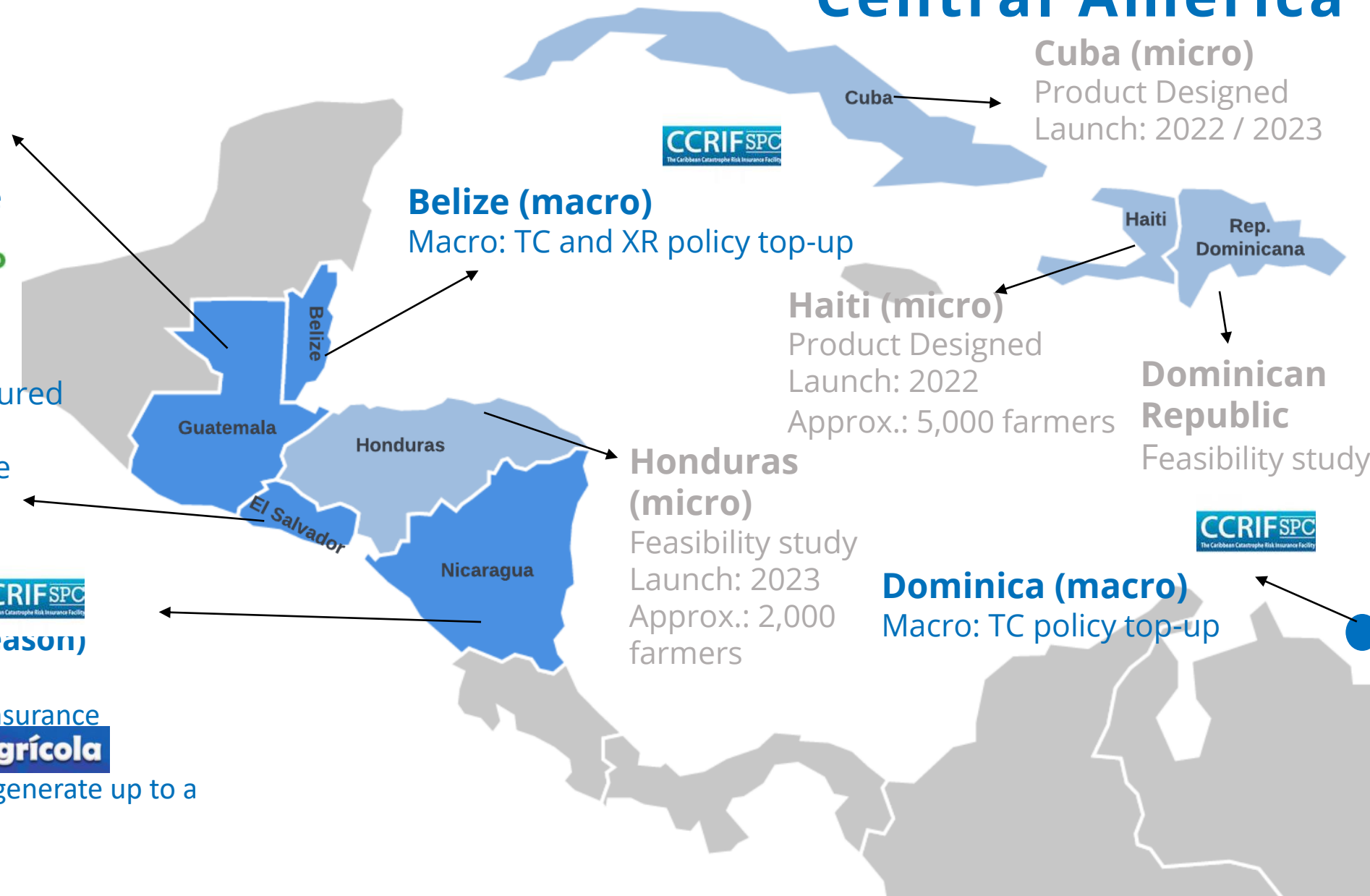
## Honduras (micro) Feasibility study Launch: 2023 Approx.: 2,000 farmers

## Dominica (macro) Macro: TC policy top-up

## Cuba (micro) Product Designed Launch: 2022 / 2023

## Haiti (micro) Product Designed Launch: 2022 Approx.: 5,000 farmers

## Dominican Republic Feasibility study



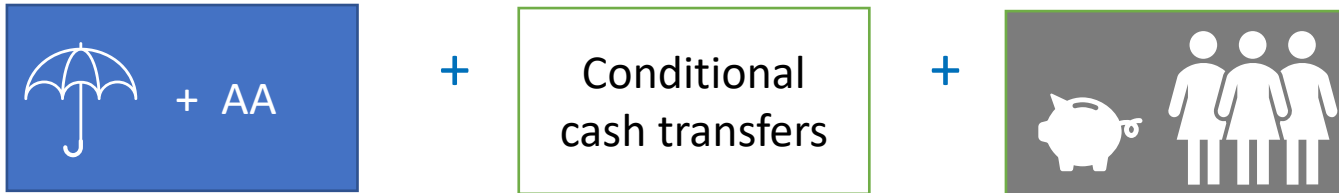


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# Climate Risk Insurance + Anticipatory Actions (AA) Guatemala

Climate risk financing strategy to **mitigate the impacts** of climate shocks on the **livelihoods of smallholder farmers and MSMEs**.



Microinsurance and AA are effective tools to **improve *ex ante and ex post* risk management strategies** related to climatic shocks, and **increasing the resilience of smallholder farmers and MSME**.



**2023:** Microinsurance scale-up strategy: 22,000 people insured and launch of the "Forecast Index Insurance (FII)" **with 2,000 persons**

## KEY INFORMATION

	2021	2022
	1,292 people insured (69% women)	9,437 people insured (81% women)
	5 departments Alta Verapaz; Baja Verapaz; El Progreso; Chiquimula; Zacapa;	7 departments Alta Verapaz; Baja Verapaz; Izabal; El Progreso; Chiquimula; Jalapa; Zacapa;
	Q 200 (US\$ 25) Value of premiums	Q 250 (US\$ 32) Value of premiums
	Q 2,400 (US\$ 311) Value of sum insured	Q 3,000 (US\$ 390) Value of sum insured
	1 payout of Q 720 (US\$ 100) made to two women's associations	-
	-	1,659 people made contribution of 10% of insurance premium.
	Government of Canada, European Union, IFAD and WFP funds	Government of Canada, European Union, IFAD and WFP funds



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y crisis climáticas

  
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