



IFF
INSURANCE FOR FARMERS
A GLOBAL COALITION



Summary

IFF we act.....	4
IFF we have a major social impact.....	5
IFF we look ahead.....	6
IFF we build a global coalition.....	6
IFF OBServatory.....	7
IFF LABoratory.....	8
IFF ADVocacy.....	9
10 REASONS WHY...	
1. IFF we improve resilience.....	11
2. IFF we use new technology.....	11
3. IFF we increase food security.....	11
4. IFF we develop affordable solutions.....	11
5. IFF we enable markets.....	11
6. IFF we operationalize knowledge.....	12
7. IFF we meet climate commitments.....	12
8. IFF we work together.....	13
9. IFF we make change possible.....	13
10. IFF we build a public-private coalition.....	13
IFF you want to know more.....	14
IFF you want to join the coalition.....	14



IFF we act

475 million uninsured smallholder farmers in developing countries are highly exposed to crop failure and climate change. Providing agricultural insurance solutions will prevent these farmers from further vulnerability and have a major impact on economic development as well as food security.

We are a broad non-profit coalition of players from the eco-system surrounding agricultural insurance committed to enabling available, accessible and affordable insurance to smallholders.

By 2026 we want 300 million smallholder farmers to be insured against natural risks.

We call on all public-private players, who share this vision, to join IFF too.



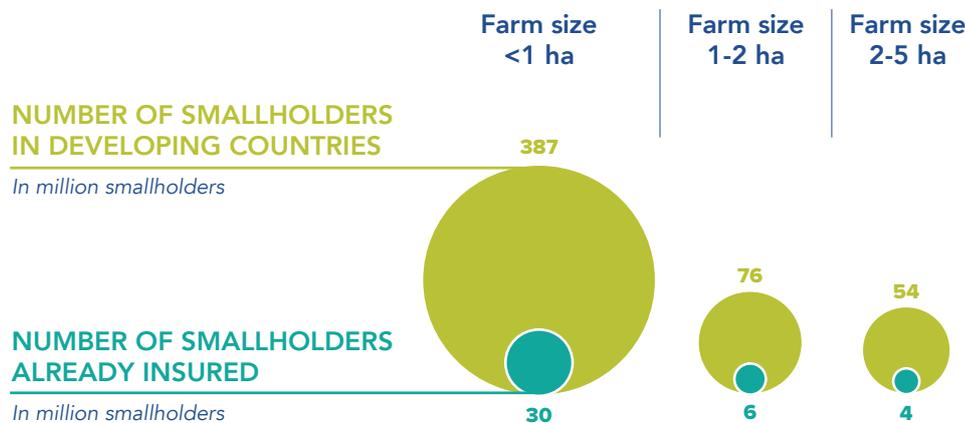
IFF we have a major social impact

Agricultural insurance has both climate mitigation and adaptation benefits. IFF will contribute to climate change adaptation efforts by offering affordable insurance solutions to protect smallholder farmers from weather risk. Insurance offers a safety net for climate change affected farmers, reducing their vulnerability and increasing their resilience.

Agricultural insurance plays both a protective and a productive role towards family farms. Its extension will reinforce food security by reducing the risks farmers face from investing in inputs such as improved seeds and fertilizers. According to IFAD, smallholders provide 80% of food consumed in low-income countries. When they fail to produce, communities go hungry.

Agricultural insurance will improve smallholder farmers' access to finance and to new farming techniques and technologies. Insurance unlocks the potential for reasonable agriculture intensification, which reduces land extensive farming and deforestation. Without any access to formal insurance policies, smallholder farmers are highly exposed to the vagaries of weather that will increase in the years to come.

The deployment of agricultural insurance to the vast majority of smallholder farmers is key to successfully deliver on the Sustainable Development Goals - more specifically the SDG n°2: food security - and to meet the commitments of the Paris Agreement on adaption of the most vulnerable populations to climate change.



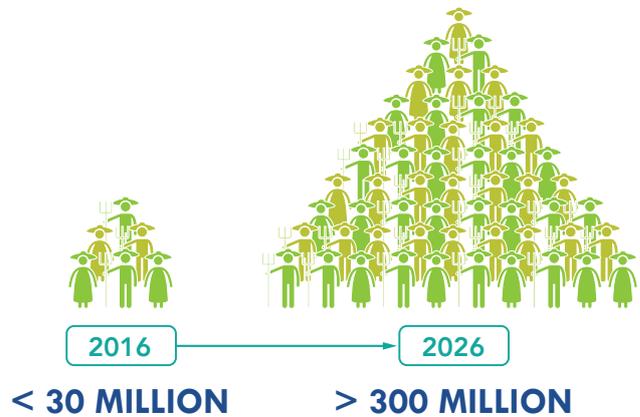
Source:
 - Bases on FAOStat survey data from 2014 State of Food and Agriculture report
 - Uses regional and income group averages where national averages are not available
 - Uses national agriculture microinsurance coverage estimates specified Appendix I, assuming schemes cover farm size categories in same proportion as the total farm population

IFF we look ahead

IFF wants to be at the forefront of efforts to make agricultural insurance available, accessible and affordable to smallholder farmers in developing countries.

Agricultural insurance can transform the life of farmers by protecting them against crop failure and allowing them to invest in better inputs and equipment.

By 2026 IFF will have fostered new market intelligence, technological innovation and close cooperation between public and private sectors aimed to design products and business models well adapted to family farms. By innovation and collaboration IFF will enable insurance opportunities for a vast majority of the 475 million smallholder farmers that today are highly exposed to crop/livestock failure and climate change.



source: Microinsurance Network
World Map of Microinsurance

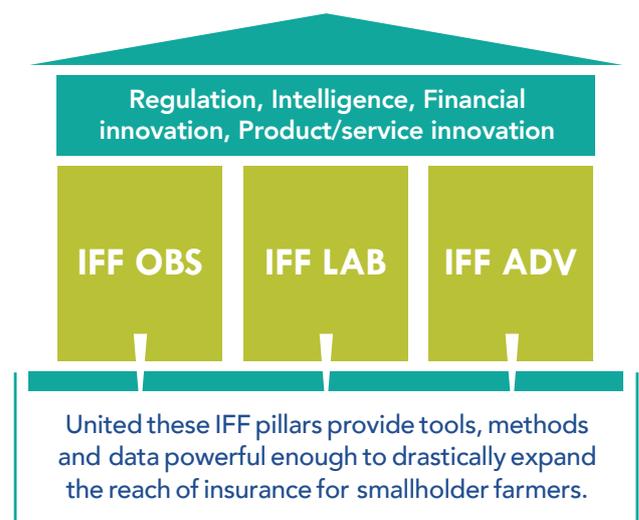
IFF we build a global coalition

The mission of Insurance For Farmers is to enable a market for smallholder agricultural insurance.

IFF wants to play a catalytic and collaborative role between all stakeholders in the eco-system of agricultural insurance: technology and data providers, insurers, reinsurers, micro-finance institutions, banks, NGOs, distributors, agro-industrial companies, research organizations, Development Finance Institutions, regional development banks and aid agencies.

IFF will identify and address the main gaps that need to be bridged and the tools that need to be developed in order to make agricultural insurance available to farmers. A particular focus will be given to the promising development of insurance products based on weather indexes and supported by satellite imagery.

The work of the IFF coalition is build on
THREE PILLARS



IFF OBServatory

The landscape of agricultural insurance in developing countries is characterized by a multitude of projects that differ by their target (type of crops or livestock), the technology used, the distribution channel, the nature and intensity of public support etc. It is difficult to get a clear picture of evolution as well as the current situation

(globally and by country). This lack of knowledge is partly responsible for contradictory claims about the efficiency and the viability of agricultural insurance, and for the insufficient implication of the public and private sectors for its large-scale adoption by farmers.

In collaboration with research institutions and other partners, IFF OBServatory will:

- **Gather data and information** needed to fill the knowledge gap and take stock of changes in agricultural insurance in developing countries.
- **Identify the constraints** to the proper supply and demand, and to the scaling up of agricultural insurance.
- **Initiate projects to monitor, on a multiyear basis, the economic impact** of agricultural insurance, based on representative samples of insured farms.

Horizons:

- Short-term (3 years): Carry out, in collaboration with research institutions and other partners, ex-post assessments of agricultural insurance schemes in developing countries; Publish an annual report on the state of agricultural insurance in the world, with a focus on developing countries;
- Mid-term (5 years): Initiate, in collaboration with research institutions and other partners, a farm network aimed at comparing, on a long term basis, the performances of insured and non-insured farmers, based on relevant socio-economic and environmental factors.

These outputs will help understand the “macro” implications of agricultural insurance in terms of access to credit, intensification of agricultural production, improved food security, increased farm income, and more generally the contribution of agricultural insurance to sustainable development.

IFF LABoratory

IFF LAB brings agricultural insurance closer to market maturity and insurance closer to farmers. IFF LAB innovates. New technologies (e.g., satellite imaging, weather and soil information systems, e-payment solutions) contribute to the opportunity to transform: they are impacting every step of the value chain, from distribution to verification, but quality is key to changing the level of insurance. Today the quality is too low in the field of agricultural insurance not least due to too unstable data, too weak analysis and too little trust in solutions provided to the farmers. The IFF LAB develops tools and methods that are

based on collaborative efforts between best in class partners in the eco-system, global overview of data, use of new technology, efficiency proofs and benchmark tests that will make it possible to build reliable products and business models. IFF is a quality label. By financial innovation, best case experience and new models, IFF makes quality insurance available to farmers, public and private partners as well as markets. Operationalization of knowledge will bring agricultural insurance from expert discussions to farmer fields.

IFF LABoratory will deliver on:

Open data and public research
Financial innovation
New business models
Operationalization
Effectiveness and efficiency proofs
Affordable tools, manuals, indexes
Securing reliable data, methods and products

The outputs of IFF LAB will help bring scale to markets and trust to agricultural insurance. The win concerns countries as well as companies and end user clients.

Horizons:

- Short-term impact (3 years): Research on quality components and business models.
- Mid-long term impact (5 years): Innovation of tools and methods to be applied on markets.
- Long-term impact (10 years): Scale to markets and available, accessible and affordable agricultural insurance.

IFF ADVocacy

Inclusive and innovative agricultural insurance solutions need to be promoted if we want to develop the market and increase access to insurance for farmers. Successful agricultural insurance programs rely on public-private partnerships and a long-term vision. IFF has a long-term 10 years horizon – the time it takes to build markets and reach scale.

IFF-ADVocacy will be geared towards 3 main goals:

- **Push agricultural insurance into the development agenda:** agricultural insurance reduces farmers' vulnerability, improves their access to credit and has a positive impact on agricultural development. It is also a tool for adaptation to climate change.
- **Support market development:** farmers deserve appropriate and inclusive agricultural solutions. The agricultural insurance business case needs to be promoted to the relevant stakeholders.
- **Raise funds and establish partnerships:** a blend of donors' and investors' money will be required for research, product development, infrastructure, financial education, capacity building, impact studies, and subsidies for insurance premiums.

Horizons:

- Short-term (3 years): The extension of agricultural insurance is recognized as a priority of both the development and the climate change agendas. Funding mechanisms are in place to develop infrastructures, carry out feasibility studies and incentivize smallholder farmers.
- Long-term (10 years): IFF has addressed the main challenges – technical, financial, regulatory and educational – that today prevent the vast majority of smallholder farmers from being insured against crop/livestock failure and protected against climate change risks.



10 REASONS WHY...

1: IFF we improve resilience

IFF contributes to climate change adaptation efforts by offering affordable insurance solutions to protect smallholder farmers from weather risk. Insurance offers a safety net for climate change affected farmers, reducing their vulnerability. Agricultural insurance can change the life of smallholder farmers by protecting

them in bad years, build resilience and allowing them to get better inputs and equipment, making their work more productive and increasing their income. Uninsured they cannot invest to develop their crops and business. Many carry on being stuck in poverty traps.

2: IFF we use new technology

New technologies (e.g. satellite imaging, weather and soil information systems, mobile banking) are increasing the feasibility of rolling out agricultural insurance cost-effectively at scale and opening up new options for marketing, distribution and payment. The

breakthrough of index based insurance is a significant example of how development in technology can contribute to enabling available, accessible and affordable agricultural insurance.

3: IFF we increase food security

Population growth makes a significant increase in food production necessary. With smallholders providing 80% of consumed food in developing countries their crops are valuable assets in terms of creating food

security. Insured farmers tend to invest in better inputs and equipments to improve yields, which will benefit families and communities.

4: IFF we develop affordable solutions

A solution is not available if it is too expensive. IFF aims at developing solutions adapted to the financial means/capacity of smallholder farmers.

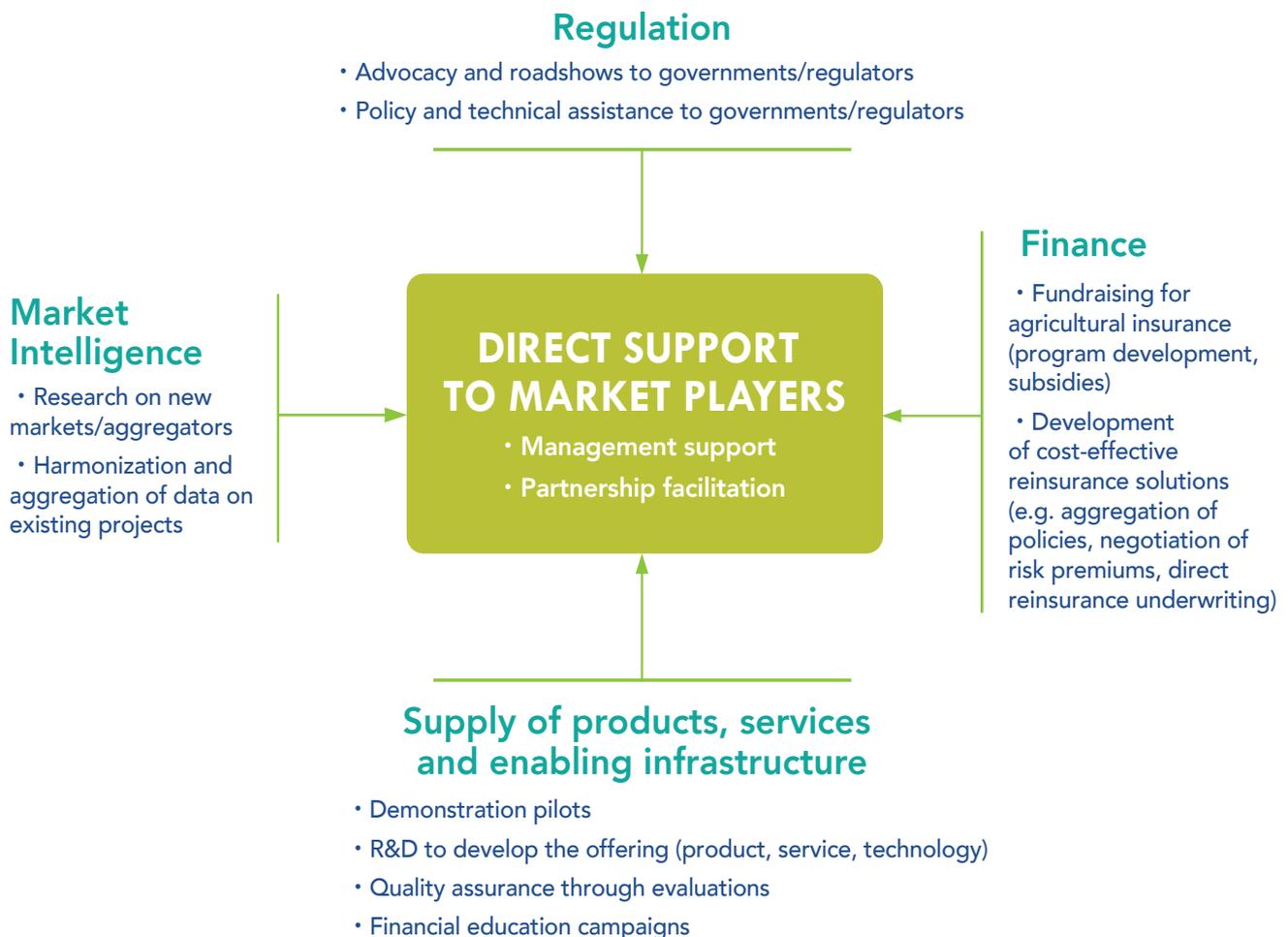
The combination of innovations such as satellite imaging and mobile solutions allow development and distribution of insurance products at affordable prices.

5: IFF we enable markets

Agriculture insurance reaches only an estimated 9% of smallholders. Due to price, distribution, quality issues and lack of financial education demand from

smallholders remains low, with most programs requiring subsidies to attract farmers. To reach scale favorable conditions in five areas are needed:

10 REASONS WHY...



6: IFF we operationalize knowledge

Agricultural insurance needs to be brought closer to the end users. IFF differs from other initiatives by having a long-term horizon and a strong focus on collaboration and operationalization. We don't just

talk about what can be done. We make it happen. IFF is intended to play a catalytic and collaborative role towards existing initiatives and platforms.

7: IFF we meet climate commitments

475 million uninsured smallholder farmers globally are highly exposed to crop failure and climate change. Providing agricultural insurance opportunities will prevent these farmers from further vulnerability.

Thanks to its protective and productive role, agricultural insurance is key to adaptation of the most vulnerable populations to climate change.

8: IFF we work together

To create a step change, we aim to elevate the issue of agricultural insurance from a technical to a political level and engage a broad set of stakeholders who can help reach our goal: existing platforms and centers of expertise; technology companies that can help better predict weather and crops; agricultural input

companies, buyers of agricultural products, credit companies which can help aggregate demand for agricultural insurance; insurers, reinsurers; aid agencies; governments; NGOs; the general public and Development Finance Institutions.

9: IFF we make change possible

In 10 years this public-private coalition will have made insurance possible for more than 300 million smallholders throughout the world.

10: IFF we build a public-private coalition

Increasing agricultural insurance opportunities for smallholder farmers will require long-term collaboration between actors in the value chain and the enabling eco-system.

ACTORS IN AGRICULTURE MICROINSURANCE VALUE CHAIN



The IFF coalition is founded by a core group of organizations from the agricultural insurance environment. It is an open coalition and we call on you to join. A broad, global coalition is key to creating change!



IFF you want to know more

Please don't hesitate to contact:

Stine HANSEN

Project lead, IFF Insurance For Farmers

Mail: sh@IFFcoalition.com

IFF you want to join the coalition

An IFF membership is available.



Artwork : Alex Ly Design - Photo : Philippe Lissac



IFF
INSURANCE FOR FARMERS
A GLOBAL COALITION

