



PlaNet Guarantee
PlaNet Finance Group

One World to protect

« Assurance Récolte Sahel »



Summary

- I. Overview of PlaNet Guarantee
- II. Basics of index insurance
- III. The West African Crop Insurance initiative
- IV. Network of Partners





I. Overview of PG

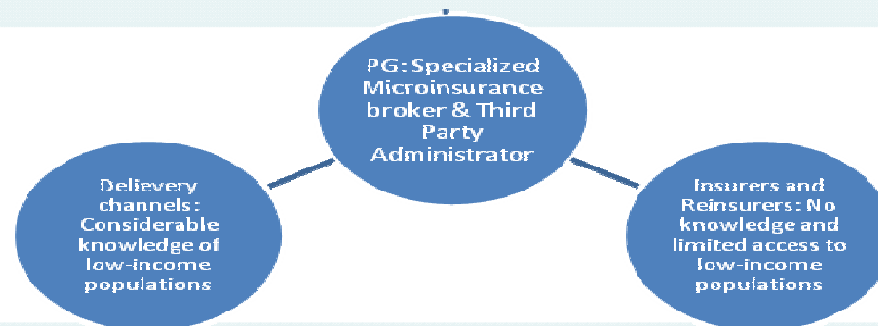
A social business

- Focused on the alleviation of poverty through the development of microinsurance
- Any profits must be reinvested in the business to further this social objective

2 business lines

- Research and Development
- Brokerage Activities

A link between insurers, reinsurers and MFIs



Experienced in the field of crop insurance

- Large scale project in West Africa – 3 indexes developed: 2 satellite and 1 area yield, feasibility study in Tajikistan, feasibility study in Mali, upcoming project in Egypt



II. Basics of Index Insurance

Insurance Sector

- Weakness of insurance capacities
- Lack of knowledge of target market
- Difficulty to gather reliable data
- Cultural or community differences which prevent risk pooling
- Farmers lack of confidence and awareness regarding insurance

Agricultural Sector

- Various methods of agricultural production
- Large variety in risk exposure
- Lack of structured market
- Lack of offer in crop insurance



II. Basics of Index Insurance

- **Index insurance is more adapted to the Sahelian context than is traditional insurance**
 - **Insurance which pays out in function of individual risk is not feasible – administration costs and moral hazard**
- **Benefits of index insurance:**
 - **Coverage of the hardest risks to manage**
 - **Elimination of adverse selection**
 - **Possibility to adapt the cost of insurance to purchasing power of producers**
 - **Automatic claims payout**



III. The West African Crop Insurance Initiative - Context

➤ The GIIF is an International Finance Corporation (IFC) programme which seeks to support the development of index insurance in less developed countries.

PlaNet Guarantee and GIIF are launching the first regional index insurance platform

➤ The project targets 7 West African nations beginning with Senegal, Mali, Burkina Faso, Benin then Côte d'Ivoire, Niger and Togo.

➤ This represents a population of approximately 50,000,000 (*source: WB 2009*) of which 30,000,000 are in the agricultural sector.

➤ Agriculture is the main economic activity representing 35% of GDP and employing 70% of the active population in the 4 target countries



III. The West African Crop Insurance Initiative - Objectives

Overall Objective:

Favor access of farmers to insurance in order to reduce the fluctuation in agricultural income and secure the financing mechanism of agriculture

By protecting the portfolio of banks and microfinance institutions, insurance secures the access to credit and allows to increase the development of agricultural activities.

Moreover, by increasing access to credit and securing the financial sector the projects contributes to growth of the overall agricultural sector.

Specific Objectives:

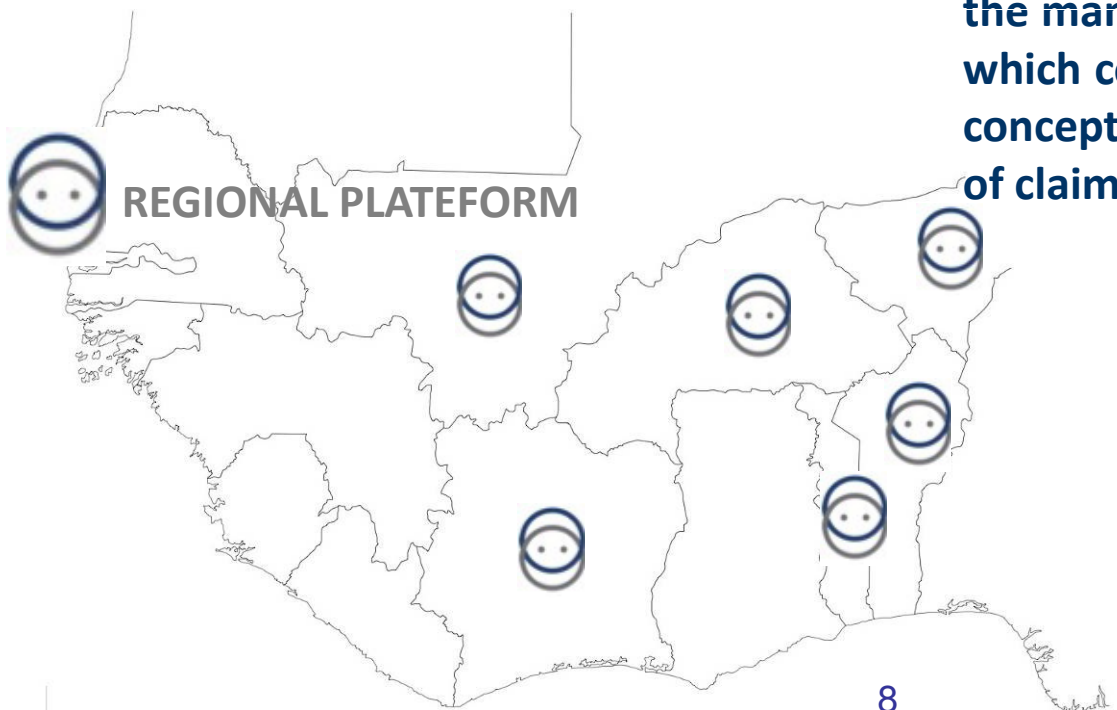
- Propose agricultural insurance solutions adapted to the needs of farmers
- Develop a viable agricultural insurance model
- Improve the financing of agriculture in the targeted countries
- Develop insurance culture amongst the population of farmers

Budget: 4.4 M USD for 5 years



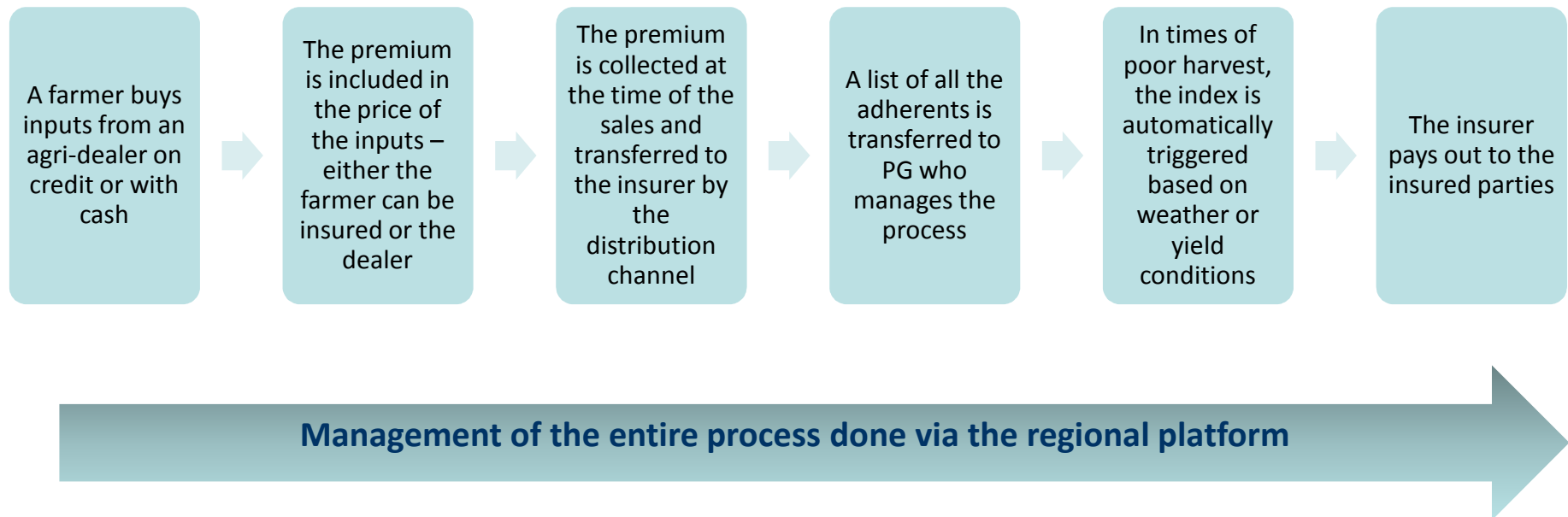
III. The West African Crop Insurance Initiative - Expected results

- Cover 60,000 farmers by 2016
- Raise awareness on agricultural insurance amongst 165,000 farmers
- Create a regional platform dedicated to the management of index crop insurance which covers the entire process from the conception of products to the payment of claims
- Implement an insurance scheme with affordable and easy to understand products tailored for farmers





III. The West African Crop Insurance Initiative – How it works





III. The West African Crop Insurance Initiative - Current Status of Project

➤ 2 pilots in rain deficit insurance:

Mali



Burkina Faso



- Based on satellite data
- Covers 361 maize farmers in 2011
- ⇒ 122 farmers received compensation
- Objective to scale up the program for 15 000 farmers in 2012
- Partners:
 - Allianz Africa & Swiss Re : insurance and reinsurance
 - Oxfam (Mali) : Training and awareness raising
 - EARS : Technical Index expert
 - Soro Yiriwaso (Mali) / CVECA Boucle du Mouhoun, MECAP (Burkina) : Distribution, subscription

➤ Pilot in average yield:

Mali

- Based on area yield
- Covers 326 cotton farmers in 2011
- Objective to scale up the program to 3260 cotton farmers in 2012
- Partners :
 - I4 : Research and development on indexes & impact study
 - Allianz Africa & Swiss Re : insurance and reinsurance
 - Oxfam (Mali) : Training and awareness raising
 - GIE (CMDT, OHVN, UN-SCPC) : Subscription
 - BNDA : Banking Group, beneficiary



III. The West African Crop Insurance Initiative - Management Platform

Expertise

- Has a vision over all 7 countries thus capitalizes experiences in one country to disseminate knowledge over region
- Product construction
- Distribution Centre

Training

- Raising insurance awareness
- Raising product awareness

Underwriting

- Third party administration and contract Management
- Claims Management
- Risk Analysis
- Historical data

Harmonization

- Responsible for communicating amongst various actors and building synergy (MFIs, development agencies, ministries, CIMA, etc)
- Promotion of Agricultural Best Practices



IV. The Network of Partners

The project is implemented by PlaNet Guarantee and the following organizations:

- **Allianz Africa (Mali & Burkina):** insurance company settled in 9 countries in Africa. Local insurer for Mali and Burkina Faso
- **Swiss Re :** reinsurer specialized in agricultural sector. Partner in pilots in Mali
- **EARS:** is an innovative remote sensing company specialized in climate monitoring and related applications
- **Oxfam GB (Mali):** Oxfam GB is an internationally recognized network of NGOs dedicated to fighting poverty and injustice.
- **CIRAD:** CIRAD is a French research center that works with developing countries to tackle international agricultural and development issues.
- **CNAAS:** The CNAAS is the national agricultural insurance company of Senegal.
- **PlaNet Finance:** PlaNet Finance is an international NGO dedicated to the alleviation of poverty through the development of microfinance.
- **Grameen Credit Agricole Microfinance Fondation:** offering tailored refinancing tools for MFIs and Social Business companies.



CONTACT

PLANET GUARANTEE

44 rue de Prony • 75017 Paris, France

Mathieu Dubreuil – Project Manager

mdubreuil@planetguarantee.org

Sabrina Régent – Project Director

sregent@planetguarantee.org

Sébastien Weber – Project Deputy Director

sweber@planetguarantee.org