




**WFP**  
World Food Programme

SAVING LIVES  
CHANGING LIVES

# Gender & Risk Finance

From micro to macro: Examples of inclusive disaster risk financing in LAC and West Africa

March 2023

**“Gender equality** and women’s and girls’ empowerment are essential **building blocks** for healthy, prosperous, and resilient communities. Societies **where girls and women** have the **tools and opportunities to thrive** can promote economic development, support development goals, fight climate change and build food and nutrition security”.

*WFP Gender Insight Series 2023*

# Introduction

Authors: Leticia Gonçalves, Oda Henriksen, and Michael Goode

**Women and girls have been severely affected by the unfolding global food crisis, on top of climate shocks, COVID-19, increased conflict, and food insecurity.** Food insecurity and gender inequality are deeply interlinked. According to the 2022 edition of [The State of Food Security and Nutrition in the World](#), nearly 32 percent of women were moderately or severely food insecure compared to 28 percent of men.

As of 2021, there were 150 million more food insecure women than men in the world. WFP's approach ensured that 68 million women and girls – more than half of the 128 million people reached in 2021 – received WFP food assistance.

Women play a critical role in food production, but they are more likely to be food insecure than men. They often find that they are at a disadvantage when it comes to food production: they have the least opportunities to acquire land and assets such as seeds, tools, and fertilizers, they are less connected to food chains, and even when they are landholders, the yields of women farmers are 20-30 percent lower than for men.

WFP [understands the power of gender equality for food security](#) and how women's empowerment is central to our mission. [WFP's gender policy](#) ensures that we optimize our presence, role, and partnership capabilities to advance gender equality and empower women.

There is no prospect of achieving SDG2 (Zero Hunger) without achieving SDG5 (Gender Equality). Societies where girls and women have **the tools and opportunities to prosper** are more likely to enjoy economic growth, development, and progress when it comes to adapting to climate shocks and building food and nutrition security.

If we can provide better support for women and girls to access the information and resources they need while empowering them with economic and decision-making opportunities, the result is improved food security and nutrition for all.

**Women's economic empowerment** remains one of the most powerful routes for women to achieve their potential, while advancing their rights. It is a multidimensional approach, depending on structural circumstances at the community, household, and individual level.

It could start gradually with financial and digital inclusion, like access to savings, credit, and insurance. Education and

training, improved nutritional intake, resilience building and climate change adaptation activities are also important components. Still, there is no ready-made formula for success or a fixed-chronological sequence of activities to be implemented.

For over a decade, WFP has been supporting climate risk insurance as an important piece of the strategy for building women's economic empowerment. The fast recovery and protection from loss and damages that access to climate risk insurance can provide helps countries and households to better manage the impacts of the climate crisis, which is why WFP is advancing financial protection as one avenue for building resilience to extreme weather events.

Currently, WFP supports climate risk insurance programmes in **19 countries** in Africa, Asia, and Latin America and the Caribbean at the micro, meso, and macro-level.

Sovereign insurance or macro-level insurance, is one approach where WFP partners with national governments and regional risk pools to purchase an insurance product or top-up premium finance for an existing policy to finance WFP's assistance when a climate shock triggers a payout. WFP's meso and microinsurance programmes, under the R4 Rural Resilience Initiative (R4), target vulnerable farming or pastoralist households as well as micro, small and medium entrepreneurs (MSMEs) to support access to insurance through an integrated risk management approach. The initiative builds resilience through four integrated pillars: risk reduction, risk transfer, risk retention, and prudent risk taking. These pillars complement each other and provide support for different risk severity levels, as insurance is not a standalone solution for managing a variety of risks.

We now present the story of women that have access to WFP's climate risk insurance and related interventions, helping them to safeguard and strengthen their livelihoods, ensure food security of their households, and build their resilience, even with increasing climate shocks.

In Guatemala, **Damaris** is the 'promoter' of a women community that, with WFP's support, have transformed the land into hope and opportunity for the families living there. In Senegal, through participating in the integrated climate risk management approach, **Fanta** has been able to protect her livelihoods while diversifying her income. In Haiti, **Manise** shows how women can get together and prosper by having a joint objective and

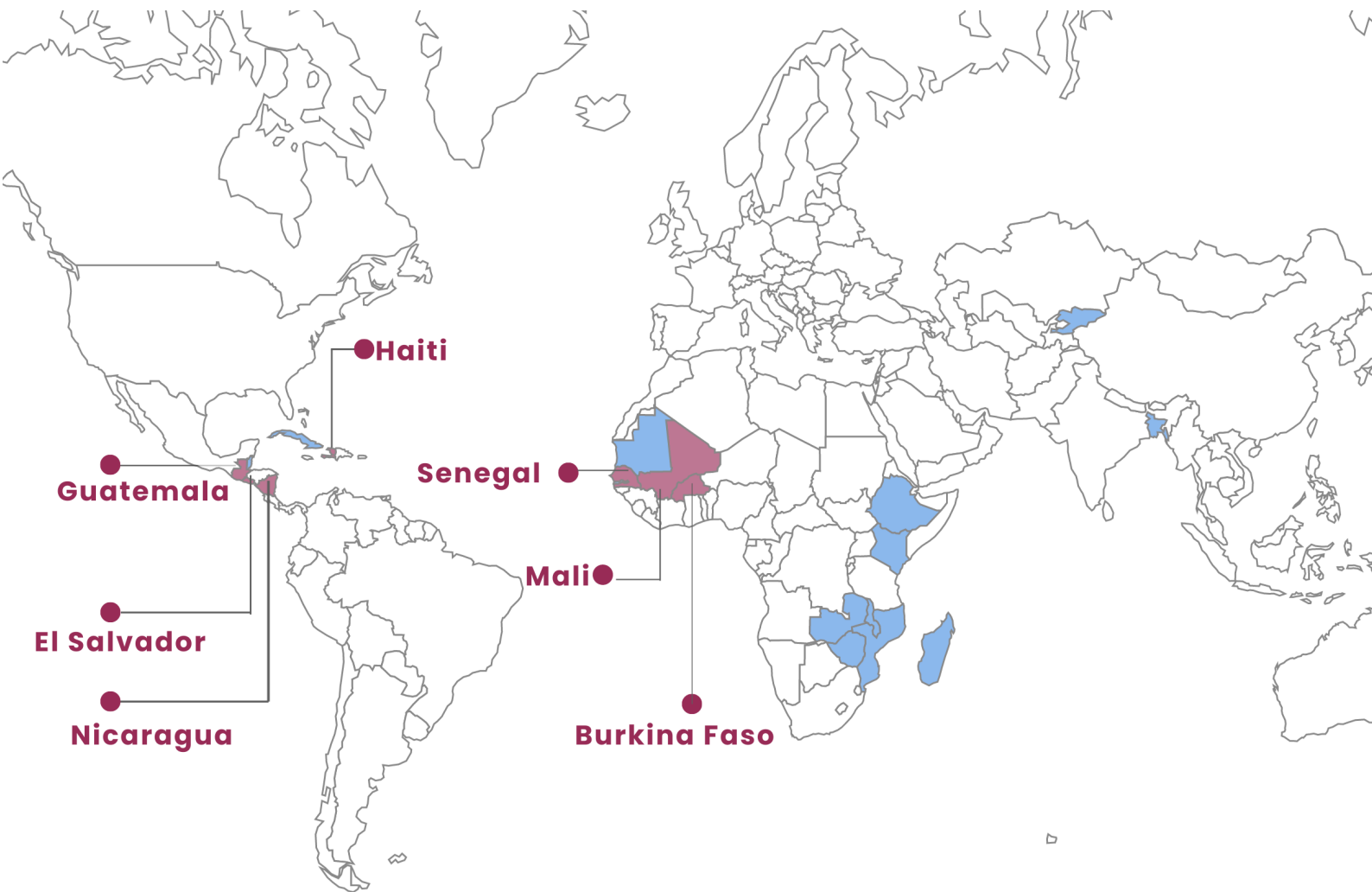
tangible goals. In El Salvador, **Norma** shows us how a community leader can motivate a group of women and promote sustainable changes within their community.









On macro-level insurance, the testimonials of **Hatouma, Aïssé & Fatoumata** in Mali, and **Zourata** in Burkina Faso demonstrate how providing timely assistance can guarantee food security to the most vulnerable, while reinforcing communities' resilience to climate shocks can promote lasting changes.

The successful example illustrated by Nicaragua of a **risk-layering approach** built by a combination of financial instruments to address hazards of varying intensities and frequencies can be strategic on guaranteeing that no one is left behind. As **Maria Inés** said, having insurance can

support vulnerable families to move forward and have their nutritional needs met.

Insurance might not be the silver bullet, still, it is an important component to achieve **financial protection** and **build resilience**, as demonstrated by the stories shared. Regardless of their location and context, by listening to our beneficiaries WFP can be sure that insurance greatly contributes to the economic empowerment of women and households more broadly, when integrated into a comprehensive approach.



-  Starting date
-  Location of interview
-  Donors/ Funds
-  percentage of female beneficiaries
-  Amount of payout received
-  Insurer / Risk Pool
-  Households covered
-  Regions covered by insurance

**Photo cover:**

WFP Mali / Aboubacar Sidibe  
 Senegal / Nouha Drame (independent photographer based in Kolda)  
 Guatemala / Esteban Barrera  
 WFP / Giulio d'Adamo  
 WFP Mali / Aboubacar Sidibe

WFP Mali / Aboubacar Sidibe  
 WFP Nicaragua / Sabrina Quezada  
 WFP Mali / Aboubacar Sidibe  
 Guatemala / Esteban Barrera  
 WFP Burkina Faso / Cheick Omar Bandaog  
 WFP Nicaragua / Sabrina Quezada

# Meet DAMARIS

## Guatemala

### ABOUT GUATEMALA

Guatemala is one of the most vulnerable countries to natural hazards. Increasing frequency and intensity of droughts, as well as excessive rains, abrupt changes in temperature, severe flooding, and landslides have led to chronic food insecurity in recent years, with the COVID-19 crisis exacerbating the situation. This increases vulnerability, especially among smallholder farmers who lack adequate methods to manage climate-related shocks.



- 2021
- Alta Verapaz, Baja Verapaz, Izabal; El Progreso; Chiquimula, Jalapa; Zacapa
- 9,437
- 81 percent
- US\$38,31
- European Union, Government of Canada

### PROTECTING FAMILIES IN THE DRY CORRIDOR

WFP Guatemala implements integrated resilience-building activities, which include income-generation, asset creation, environmental rehabilitation, community governance, and nutrition as well as social and behaviour-change communication. WFP has also supported the integration of an innovative parametric microinsurance product that covers business interruption in case of drought or excessive rain.

Damaris (32), lives in the community of La Lima, in the department of Chiquimula, which is in the drought-prone region of Central America known as the Dry Corridor. In Chiquimula, over 151,800 people are acutely food

insecure (IPC Phase 3 and 4). In recent years, increasingly recurrent droughts have destroyed maize, beans, rice and other staple crops, leaving families with difficult choices and little to eat.

Damaris is the 'promoter' of the +50 women community that, with WFP's support, have transformed the land into hope and opportunity for the families living there. They're growing drought-resistant crops, making organic pesticides, and are now prepared for the dry season.

As part of the scale up strategy, within WFP Guatemala's [Anticipatory Action \(AA\)](#) portfolio, a Forecast Index Insurance initiative is being developed so that the product can incorporate a preliminary payout trigger so beneficiaries can implement anticipatory actions in advance of extended dry spells in the department of Chiquimula.

*"Before the programme came here to guide the families, the situation was difficult because unfortunately not all of us have land to grow our maize and beans."*

**CLIMATE SERVICES**  
Weather and climate information  
Damaris receives tailored weather and agronomic information through the extension officer, and trainings. Damaris uses the information to make decisions for her family's income, food and livelihood activities.

**PROVIDE LIFE-CHANGING SOLUTIONS**  
Gender Equality  
Damaris received training on gender equality, women rights, indigenous women rights, economic empowerment, and violence against women. The training helps to make women's role visible inside and outside their home, helps strengthen women's capacities and promote changes in women's lives in a more sustainable way.

**Wood-saving stove**  
A wood-saving stove was installed in Damaris' house. The initiative helps reduce indoor smoke to prevent respiratory diseases and contributes to the reduction of wood consumption from forests.



**DAMARIS REYES, 32**  
Guatemala

**RISK TRANSFER**  
Weather index insurance  
Having learnt about the insurance from WFP, Damaris decided to be part of the programme. She received a US\$38.31 payout in 2022.

**RISK REDUCTION AND RISK RETENTION**  
Organic agriculture and technical assistance  
Damaris received training on soil conservation, ecological traps, manufacture of organic fertilizers and insecticides, use of biofortified beans, post-harvest management and storage. As a promoter in her community, she organizes groups to grow vegetables. Her community planted water-resistant beans to overcome the effects of climate change, and have planted native nutritious plants they integrated into their diets. They are saving around US\$88 per week with the growing of vegetables in their plots.

**Cash assistance**  
Damaris has received three cash-based transfers (CBT) to improve her family food security and to help her family to buy what they need. With the support of the European Union, WFP has provided conditional cash assistance (US\$150 per family monthly).

**Credits**  
Interviews conducted by: Elio Rujano, WFP Regional Communications Officer  
Interview translated by: Elio Rujano, WFP Regional Communications Officer  
Interview language: Spanish

Country/region of interview: Guatemala  
Date: 7 September 2022

# Meet FANTA

## Senegal

### ABOUT SENEGAL

Despite being a stable and democratic country, Senegal still suffers from high levels of hunger, ranking 71st out of 121 countries in the 2022 Global Hunger Index. The country is vulnerable to various natural hazards, including coastal erosion, droughts, floods, locust invasions, wildfires, and sea-level rise. Rapid population and urbanization growth, scarce food production, droughts, land degradation and high food prices have negatively affected the country's food security.

### INTEGRATED PACKAGE TO CHANGE LIVES IN KOLDA

WFP Senegal has implemented an integrated climate risk management approach (R4) since 2013, which began scaling up in 2020 thanks to a contribution from the Green Climate Fund (GCF). The approach combines risk reduction activities - through WFP's Food Assistance for Assets (FFA), climate services and market gardening - risk transfer through microinsurance, risk retention as well as prudent risk taking through savings, livelihoods diversification and easier access to credit. Members of these savings groups are mainly vulnerable women like Fanta Kandé.

Fanta (40) lives in Saré Ndiaye, a village located in the rural area of the Kolda region, in the south of Senegal. She is



- 2013 (R4)
- Tambacounda, Kolda, Kaffrine, Kaolack and Fatick
- 20,000 insurance for work  
21,513 full cash contribution
- 45 percent insurance for work
- N/A
- GFC (2020)

married and mother of four children, including three girls, in a polygamous household. She is active in rice growing and market gardening. Participating in the integrated approach has allowed Fanta to overcome the hardships caused by the climate crisis and steadily build her resilience. She is aware that anything can happen during a season and prefers to protect herself against rainfall deficits by subscribing to agricultural insurance. She recognizes the usefulness of the integrated package and regularly shares feedback on how to improve it to ensure it is best tailored to her needs and those of her community.

In 2023, the project will continue to help women farmers like Fanta protect and grow their livelihoods, improve the food security and the overall wellbeing of their families.

*Getting access to agricultural insurance means "having peace of mind because in the event of a rainfall deficit, we are compensated".*

#### CLIMATE SERVICES

##### Weather and climate information

Fanta receives tailored weather information in Peulh (local language) twice a week, on various climate related risks like heavy rains, thunderstorms, lightening, and drought. Additionally, three times a month throughout the agricultural season, she receives weather related advice on good agricultural practices. She regularly shares this information with the other members of her household, savings group, and neighbors.

#### PROVIDE LIFE-CHANGING SOLUTIONS

##### Gender Equality

Fanta is participating in and enjoying regular talks organized in her village on gender equality, women's rights, gender-based violence, and access to land.

#### RISK TRANSFER

##### Microinsurance

In 2020, Fanta had access to agricultural insurance through her Economic Interest Group as part of a project financed by the Green Climate Fund (GCF). Like other producers, she was trained in agricultural insurance, which allowed her to understand the risks covered, and product features. In 2021 Fanta contributed US\$3.25, and US\$5.70 in 2022 towards the insurance premium, thanks to her savings within the group.

#### RISK REDUCTION

##### Asset creation activities & sustainable agricultural practice

Fanta participated in setting up stone barriers and bunds to reduce land erosion and help keep plenty of water in the valley. This led to an increase in her rice production for better food security of her household. In 2022, she carried out 20 days of work and obtained US\$47. Part of this money was used for medical care during the rainy season when the risk of malaria was high, and the rest was used to buy food and school supplies for her children. Fanta also grows okra and bissap (hibiscus) in the community garden supported by the project. Part of this production is used for family consumption while some of it is sold to meet other household needs.

#### RISK RETENTION

##### Savings

Previously to the launch of R4, everything Fanta earned was spent immediately. After joining a "Savings for Change" group in her village and with a contribution of US\$0.16 per week, she has the possibility of benefiting from a loan repayable over one month. This activity has enabled Fanta to carry out income-generating activities, improve the nutrition of the household and pay for medications when her children are sick. In 2022, the activities of her savings group mainly focused on small trade and the transformation of local products to enable access to different market segments.



**FANTA KANDÉ, 40**  
Senegal

#### Credits

Interview conducted by: Louis Philippe Sagna, WFP Senegal, COM & Multimedia  
Interview translated by: Malang Kande & Fatoumata Diallo, partner NGO la Lumière

Country and date of interview: Kolda, Senegal, 9.02.2023

# Meet MANISE

## ABOUT HAITI

Haiti remains the poorest country in the Latin America and the Caribbean region. Globally, Haiti is one of most risk exposed countries to natural hazards such as hurricanes, floods, and earthquakes. This will only worsen as the climate crisis increases the frequency, intensity, and impacts of extreme weather events. Haiti, while making some progress, still lacks adequate risk management and resilience-building mechanisms.

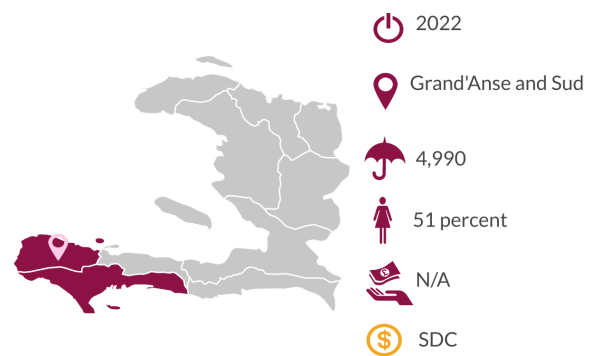
## SCALING PROTECTION AND MARKET LINKAGES

WFP Haiti is combining a set of integrated risk management strategies of the Rural Resilience Initiative (R4), including access to [microinsurance](#), to address both climatic and non-climatic drivers of vulnerability. Together, these will support income generation, asset creation, environmental rehabilitation, community governance, improved nutrition, behaviour-change communication and social protection initiatives.

Manise (38), lives in Deschamps, a section in the Commune of Roseau, in Grand Anse. Similar to the majority of households in rural areas, Manise and her family prioritize farming activities as a way to generate revenues and support their households' food consumption needs.

*"We are very honored to have insurance here, because as a woman organization we see there are programs that can reinforce capacities in the communities, and it means we can one day hope for programs like credit, and insurance for windstorm."*

# Haiti



The commune of Roseau is often subject to intense droughts and dry spells.

Manise is the secretary of an association, women's group ASOFAD, involved in various activities; such as farming, mills, solidarity and savings' group. The association includes around 200 members who have clubbed together with a shared objective of reinforcing their capacities. In 2022,

Manise and some of her group members had access to insurance for the very first time.

Although this project is still in the pilot stage, the scale-up strategy design process is underway. Product design for two extra departments have begun, and a macro-level insurance approach will be explored together with the Government.



### CLIMATE SERVICES

**Weather and climate information**

Manise and her group receives tailored weather and agronomic information through the extension officer and trainings. Manise uses the information to make decisions for her family's income, food and livelihood activities.



### PROVIDE LIFE-CHANGING SOLUTIONS

**Gender Equality**

Manise and her group receives complementary technical training on sustainable management of land and natural resources, and sensitization sessions for the adoption of better nutrition practices, gender-sensitive and environmentally friendly approaches.



**Access to market and income diversification**

Activities linked home grown school feeding programmes (HGSF), with school canteens providing local smallholder farmers with a stable market for their products, leading to steady income, more investments, and higher productivity. Manise and her group provide dry products to HGSF, and rent out their maize mill to other farmers' organizations that are also providing cornmeal to the HGSF programme, which supports their income diversification.



### RISK TRANSFER

**Weather index insurance**

Having learnt about the insurance programme from WFP, 38 percent of the women within Manise's group are benefiting from the new product, including herself.



### RISK REDUCTION

**Asset creation, rehabilitation, and/or maintenance of assets**

Manise and her group are participants of the Food Assistance for Assets programme (FFA) and have received support through conditional cash assistance based on their contribution to the community assets' rehabilitation and have benefitted from the delivery of tools and materials to mitigate the impact of shocks and reinforce their livelihoods. Participants worked in 20-day cycles and received cash-based transfers (CBT) to cover their food gap (US\$3.8 per day).



### RISK RETENTION

**Savings**

Within Manise's group there is two loans saving groups (MUSO), with a strong level of mobilized funds annually.



**MANISE  
JUST, 38  
Haiti**

### Credits

Interviews conducted by: Isabelle Delpeche, WFP Haiti  
Interview translated by: Isabelle Delpeche, WFP Haiti

Interview language: French  
Country/region of interview: Haiti  
Date: February 2023

# Meet NORMA

# El Salvador

## ABOUT EL SALVADOR

El Salvador is Central America's smallest and most densely populated country. The Global Climate Risk Index places El Salvador at number 28 out of 180 countries, being the second most vulnerable country in Central America. In recent years, extreme events resulted in numerous financial losses, causing strong social, economic and environmental impact, affecting social investment and employment, while accentuating the existing disparities and vulnerabilities.



- 2021
- Country wide
- 2,144
- 38,5 percent
- US\$15
- WFP

## GENERATING SAVINGS AND PROTECTION IN THE DRY CORRIDOR

WFP El Salvador's strategy seeks to integrate insurance into the country's resilience building and market access programmes as a key tool to protect livelihoods and investments, promote increased agricultural productivity and foster resilience. In 2021, WFP El Salvador launched an innovative insurance pilot protecting farmers and micro-entrepreneurs against the interruption of any productive activity due to excess rainfall, drought or earthquake.

and has motivated many other women to participate in WFP's projects of savings groups and insurance. She is a single mother who has raised her three sons on her own. One of them has recently joined WFP's Gasstro-Lab programme to offer training and career opportunities for young people in local restaurants and hotels.

Norma (32), lives in Uluazapa, Department of San Miguel, located in Central America's Dry Corridor, an area highly prone to extreme climate phenomena, especially droughts.

A sustainability and scale-up plan is in place for future expansion in 2023. The Government of El Salvador has presented inclusive parametric insurance as a key tool to overcome environmental issues in the new Country Plan. WFP is working with the Government in supporting the expansion of the microinsurance product through social protection and productivity programmes.

Norma is a leader in her community

*"After the storm, comes the calm weather. I felt extremely happy in receiving the payout from the insurance company."*



### RISK TRANSFER

#### Weather index insurance

In 2021, Norma was trained on the operations and importance of insurance and decided to sign up for the "Emprende Seguro" policy as part of the pilot. In 2022, Norma received US\$15 payout for an excess rainfall event.



### RISK REDUCTION

#### Asset creation, and technical assistance

Norma and her group was part of WFP resilience projects between 2017 and 2021, where she received training and technical assistance for the construction of soil and water conservation works that generally benefited the community. Norma also received a water harvesting system to deal with the drought during the rainy season, and a drip irrigation system.



### PROVIDE LIFE-CHANGING SOLUTIONS

#### Gender equality and inclusion

The methodology for the creation of the savings groups included training on women's rights, gender violence, women's empowerment, and gender equality. The efforts of WFP El Salvador to reach the most vulnerable with insurance have focused on enabling access to more diverse beneficiary profiles, including small businesses micro-enterprises run by women and visually impaired people.



### RISK RESERVES

#### Savings

In 2020, Norma was interested in participating in the PMA pilot initiative for the formation of community savings groups. She was a leader in her community, mobilizing other women to join the group to set it up for success. Currently, WFP has already phased-out the project in her region and the group remains active, with 42 women. Her group managed to save up to US\$15,000 in a 6-month cycle, and have carried out different financial activities in their community to make their money profitable. They provide access to credit to cover the financial needs of the women in the group, and they do not neglect their social goals by promoting recycling and garbage collection campaigns.



### Organic agriculture and healthier diet

Norma participated in trainings for the production of fertilizers and organic insecticides. She learned, with the support of WFP technicians, how to plant vegetables and other crops using a drip irrigation system, diversifying her crop production, and improving her family diet.



**NORMA BLANCO, 32**  
El Salvador

### Credits

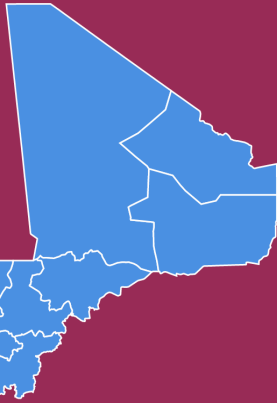
Interviews conducted by: Walter Hernandez, WFP El Salvador  
Interview translated by: Walter Hernandez, WFP El Salvador

Interview language: Spanish  
Country/region of interview: El Salvador  
Date: February 2023



# Macro-level insurance

## Mali



🕒 2018

💰 US\$ 7.1 million (2022)

🛡️ ARC Ltda.

🇺🇸🇩🇪 USA and Germany

### ABOUT MALI

Mali is highly vulnerable to the impacts of the climate crisis due to its high sensitivity to adverse effects such as recurrent droughts and floods, leading to desertification and food insecurity. The combined effects of recurrent droughts and increased insecurity have contributed to a gradual deterioration of livelihoods. Besides the climate-related and socio-political shocks, other key challenges affecting the country include high demographic growth, widespread poverty, underemployment, and the degradation of the agroecological resource base. In 2021, Mali experienced the most severe lack of rain in five years due to periodic dry spells and low rainfall, which compromised the country's agricultural production, exposing 1.9 million people across the country to risk of severe food insecurity, mainly in the regions of Kayes, Gao, Mopti, Segou, Bandiagara and Timbuktu.

### COUNTRY-LEVEL FINANCIAL PROTECTION

The risk financing approach in Mali has focused on macroinsurance activities under the African Risk Capacity (ARC) Replica programme. Aimed at helping governments improve their capacities to plan, prepare for and respond to disasters caused by extreme weather events, ARC Replica is an innovative approach to climate risk management that enables countries - such as Mali - to extend their weather insurance coverage to more vulnerable people in their country. WFP Mali piloted ARC Replica in 2018 and has since bought macroinsurance policies to finance WFP's operations to protect the most vulnerable against catastrophic drought events. Through ARC Replica, WFP Mali strengthens the Government's capacity to manage climate-related shocks by reinforcing national social protection systems and programmes.

#### Credits

Interviews conducted by: Aboubacar Sidibe, WFP Mali Communications Officer  
Interview translated by: Aboubacar Sidibe & Mariam Kone, WFP Mali  
Stories written by Myrline Sanogo Mathieu, WFP Mali



*"When I received the cash transfer, I was so happy. I used the money to buy 50 kg of maize, and with the remaining, I purchased a solar panel with its battery" - Hatouma*

*"We had nothing to eat due to the poor harvest, so I used the money I received from WFP to buy food for my family"*  
- Aïssé

*"Without the aid we received, our situation would have been difficult because women would have continued to cut wood to cover small expenses, but the aid enabled us to breathe"* - Fatoumata

### WFP'S RESPONSE

After the worst drought the country had experienced in five years, WFP received its first payout from ARC in Mali that provided US\$7.1 million to support 204,000 people in drought-affected regions in 2022. This insurance payout enabled WFP to provide emergency support and implement resilience building activities to the most vulnerable populations.

WFP implemented early actions that included cash transfers to 161,000 women, men and children affected by climatic shocks. In addition, 20,000 children aged 6 to 23 months as well as pregnant women and lactating mothers received nutritional support. Lastly, to reinforce communities' resilience to climate shocks, 23,000 people benefited from community asset building that created pastoral wells, water towers and fishponds to diversify their livelihoods and reduce the impact of future droughts. WFP's response complemented that of the Government of Mali to achieve significant results.

### MEET HATOUMA, AÏSSÉ & FATOUMATA

Hatouma Diawara is a 75-year-old widow living in the small village of Bouly in Nioro, a region in southern Mali very prone to climate shocks, with one of her daughters-in-law. Her sons had to migrate to other regions to seek opportunities. She is still fit and strong at her age, thanks to her regular work in the fields. **"I used to grow okra and niébé. However, due to the drought, my crops have been damaged. And therefore, the small yield is only for consumption"** says Hatouma, while cutting up some okra that she plans to dry up and save for the family.

The cash transfer received from WFP under the ARC-Replica response has helped Hatouma beyond feeding her family, she also purchased a solar panel and battery, and feels relieved for having a source of light at night.

Not far away in the same village of Bouly in Nioro, Aïssé Camara, a 45-year-old widow who lives with her two children shares her concerns: **The lack of water is the current problem. We must travel quite a distance to get water during a certain time of the year. Before the soils were good, it rained frequently, and good harvests were made. The rains are rare now, and the soil is no longer as fertile as it once was."**

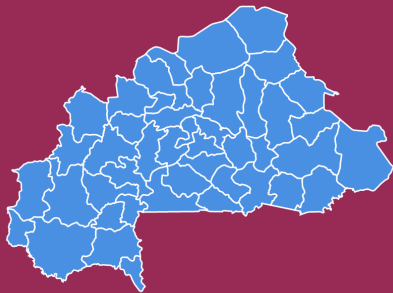
Agriculture used to be the primary source of income for both herself and the village's residents. They are now all faced with difficult weather conditions, leaving them with poor harvests. People like Aïssé and Hatouma, whose already fragile livelihood is declining, can only rely on humanitarian assistance to cope with the negative impacts of the climate crisis.

Similar to Nioro, the region of Mopti in central Mali is dependent on agriculture and livestock resources and highly vulnerable to climate variability. **"The rainy season is different from before. The rains come late and leave early, the rains are not enough, and life is hard without them"** says Fatoumata Tangara, a 35-year-old farmer from the Mopti region.

Interview language: Bambara  
Country/region of interview: Mali

# Macro-level insurance

## Burkina Faso



- 2019
- US\$ 1,189,649 (2022)
- ARC Ltda
- USA and Germany

### ABOUT BURKINA FASO

Burkina Faso has suffered a fragile security context coupled with political instability over the past years. This has led to significant population movements and displacements, directly affecting local economic systems and the livelihoods of displaced communities and host populations. The estimated number of internally displaced persons reached 1.85 million in 2022. Of the total IDPs, around 17 percent are male, 22 percent female and 61 percent are children and youth. In addition to the security issues, the country is facing climate-related shocks that alternate between drought and flooding, leading to vulnerable populations losing their livelihoods and further increasing their vulnerability. According to the Cadre Harmonisé 2022, more than 2,618,638 people were in need of immediate food assistance.

### MANAGING EXTREME DROUGHT RISKS

As part of its climate and disaster risk financing approach, WFP Burkina Faso started implementing the ARC Replica (macro insurance) programme in 2019. The same year the country office also introduced a microinsurance scheme, in partnership with the insurance company Yelen Assurances. Yelen utilizes the index designed by the Technical Working Group (TWG) of ARC, providing greater alignment between the two programmes in terms of seasonal monitoring.

Under the macro-insurance program, the Burkina Faso Country Office supports the Government on the AfricaRiskView software customization and Risk Transfer Parameters identification for the definition of the insurance policy. In case of a payout, the contingency plan is elaborated with relevant WFP programme units for efficient mainstreaming and implementation.



*[The ARC Replica payout] "allowed us to buy millet grains, fertilizer for my field and I used the rest for the care of my family members."- Zourata*

### WFP'S RESPONSE

In 2022, WFP's ARC Replica payout enabled assistance through unconditional cash-based transfers to 21,101 food-insecure people residing across three municipalities in Bam province (Centre-North region) where dry spells caused significant crop losses.

Thanks to WFP support, and encouraged by the payout response, the Government of Burkina Faso subscribed to the sovereign insurance mechanism in 2022. However, insecurity was a major challenge during the implementation of activities. Overall, the ARC Replica payout response supported more than 1,265 women heads of households, representing about 35 percent of the total number of households receiving assistance.

### MEET ZOURATA

Zourata Bargo (58), a mother of four lives in the village of Trengressené, in the center-north of Burkina Faso. She previously supported herself through agricultural production, however, today she is involved in informal gold mining in order to survive as the land has become so degraded its difficult to produce anything.

Zourata and her family used to live off the income generated by the family's plot of land, which she planted each year between June and October with millet, groundnuts and chickpeas. Gradually, she saw the fruits of her labour dwindle. **"The rainfall was insufficient, we also lacked fertilizer"** she says.

In this region, the impacts of the climate crisis translate to the depletion of the agricultural resource base. Poor rainfall coupled with soil degradation has a considerable impact on the lives of the farming communities. Zourata explains **"the main consequence of climate change that we feel is the difficulty in feeding ourselves. We cultivate without being able to get much out of it."**

In an effort to adapt to the changing climate, Zourata has tried new farming techniques such as zai pits to capture more water and concentrate organic fertilizer like compost. After her crops still performed poorly, she began to search for gold in the hills of Burkina Faso's Center North region. However, illegal gold panning poses considerable risks to her health and the environment. This requires her to walk long distances, far away from her home. Even so, she struggles to find much of the precious metal, with just a few specks of gold, she still does not have enough to meet her basic needs. She says it herself, this activity is not profitable.

Zourata was among the households targeted for support under the ARC Replica payout following the unsuccessful 2021-2022 agricultural season. For Zourata and her family, the total amount received in 2022 was 96,000 FCFA, about 155 USD. This timely support, Zourata says with a smile **"allowed us to buy millet grains, fertilizer for my field and I used the rest for the care of my family members."**

The unconditional cash-based transfers allowed women like Zourata that are victims of the climate crisis to be financially protected so they could be able to buy food and to preserve their dignity.

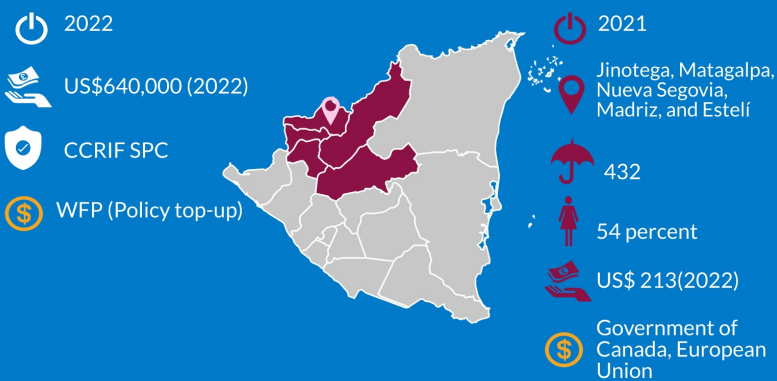
#### Credits

Interview conducted by: Cheick Omar Bandaogo, WFP Burkina Faso & Desire Quedaogo, WFP Burkina Faso,  
Interview language: Mooré

Interview translated from Mooré to French by: Cheick Omar Bandaogo

# Micro and macro-level insurance

## Nicaragua



### ABOUT NICARAGUA

A lower-middle income country, Nicaragua is vulnerable to natural hazards and climate the impact of the climate crisis. The prevalence of informal employment, economic and social fragility, systemic gender inequalities, and extreme weather continue to hinder progress in addressing poverty and food insecurity.

The country has been facing multiple climate-related shocks that alternate between drought, excessive rain and hurricanes, leading to vulnerable populations losing their livelihoods. This loss of livelihoods further exacerbates their vulnerability by reducing access to nutritious food and increasing the risk of food insecurity.

### A RISK-LAYERED APPROACH TO MANAGE EXTREME EVENTS

WFP Nicaragua is leading the efforts in the Latin American and Caribbean region to implement a **risk-layering approach**. When it comes to risk financing, there is no “one-size-fits-all” formula. A combination of financial instruments is needed to address hazards of varying intensities and frequencies.

Starting in 2021, WFP Nicaragua has successfully piloted a **microinsurance** agricultural product, meeting the needs of smallholder farmers and associations by providing an additional instrument for their resilience building activities.

To strengthen the shock-responsiveness of government systems, WFP Nicaragua is supporting a sovereign insurance product providing **macro-level financial protection**. WFP provided a top-up to the government’s tropical cyclone policy offered by the Caribbean Catastrophic Risk Insurance Facility (CCRIF SPC). The approach enables the government and WFP to assist vulnerable people and communities with **pre-arranged funding**, facilitating rapid responses in case of extreme climate shocks.

#### Credits

Interviews conducted by: Sabrina Quezada, WFP Nicaragua Communications Officer



*"This agricultural insurance is very important because it is of great help to us farmers, who year after year, face great difficulties due to climate change."*

### WFP'S RESPONSE—MACRO

In October 2022, Hurricane Julia (category 1) made landfall in Nicaragua, affecting almost 4 million people (60 percent of the population) in 60 percent of the country.

This event triggered the sovereign insurance policy that the government had established with CCRIF SPC. In the aftermath of Hurricane Julia, CCRIF SPC disbursed a US\$8.9 million payout to Nicaragua. Of this amount, WFP received compensation of US\$640,000, which was used to **complement the emergency response** and implement early recovery of livelihoods, resilience and environmental programmes for 290,000 people in coordination with the national and local authorities of Nicaragua.

WFP's immediate response included provision of take-home rations through schools in 12 municipalities, and special nutritional support to vulnerable groups (elderly, families with multiple births, children aged 6 to 23 months, pregnant women and lactating mothers). WFP provided an additional school meal for school boys and girls for 60 days as well as take-home rations for the families of children enrolled in school for a total of 150,000 people. As part of the recovery programme to reinforce communities' resilience to climate shocks, WFP also is supporting the creation and improvement of school gardens and delivering fruit trees to farming families to improve the food security of students in 600 rural and urban schools. Finally, WFP is providing cash transfers of US\$300 to impacted families for the recovery of their urban, peri-urban and rural livelihoods, as well as support in the preparation of business plans and trainings.

### MEET MARÍA INÉS—MICROINSURANCE BENEFICIARY

María Inés Rodríguez (52), a smallholder farmer associated to the Nuevo Horizonte cooperative lives in El Jícaro, in the department of Nueva Segovia, Nicaragua. She produces maize and beans on her 3.4 acres of land to provide food for her family, which consists of her husband, a daughter and two young nephews. A portion of her harvests is sold to cover the needs of her household.

At the end of 2022, her entire bean crop was lost due to drought. **"We worked very hard! We borrowed about US\$194 from the cooperative to buy the seeds and fertilizer to produce 1.7 acres of beans and 1.7 acres of maize. The beans looked so green and we expected to harvest about 20 quintales (2,000 kgs), and maybe more. But the weather affected us, and we lost it all."** María Inés recalls.

Globally, the climate crisis continues manifest itself in extreme events with increasing frequency and severity. In Nicaragua, droughts and hurricanes impact agricultural production, food security and the livelihoods of smallholder farmers. One of the many consequences of the climate crisis affecting production is the indebtedness of smallholder farmers due to constant crop losses. **"Before we knew about agricultural insurance, we lived in debt because we have to take out loans to be able to plant. If we lose our crop, it means we are left without food."**

For María Inés and her husband, being able to pay for the loan was an opportunity to continue keeping credit lines open and thus continue receiving support for the next cycle's production from the cooperative. **"...with this insurance, we are gradually moving forward, fighting, because what we want is to keep our jobs and produce food for our families,"** she concludes.

Interview language: Spanish  
Country/region of interview: Nicaragua  
Pictures: Sabrina Quezada (WFP Nicaragua)

# CONCLUSIONS

WFP believes **Zero hunger is possible when everyone has equal opportunities, access to resources, and voice in the decisions**, and understands the power of gender equality in food security and how women's empowerment is central to our mission.

WFP's ability to achieve its strategic objectives depends on delivering food and nutrition assistance that addresses the differing needs, priorities, and experiences of the women, men, girls, and boys with whom it serves. As previously presented in WFP's [2022 Gender and Risk Finance Publication](#), WFP has set three objectives to address the gender inequalities that continue to exacerbate food insecurity and poor nutrition outcomes:

**I. Achieve equitable access to and control over the means to achieve food security and nutrition**

**II. Progress in advancing gender equality by addressing the root causes of gender inequality**

**III. Advance the economic empowerment of women and girls**

These objectives can only be met through the following foundational priority actions which are essential for success.

These examples presented from Haiti, Guatemala, El Salvador and Nicaragua in the Latin America region, and Senegal, Mali and Burkina Faso in West Africa show how these objectives can be achieved through different approaches, with the shared vision of financial protecting for the most vulnerable from climate and other risks.

## Priority actions essential for success:



1

### ENHANCED AND EQUITABLE PARTICIPATION

WFP supports the equitable participations of all persons by challenging social norms and structural barriers to ensure that all individuals have their voices heard and can meaningfully engage in dialogue and actions affecting their lives.



2

### STRENGTHENED LEADERSHIP AND DECISION-MAKING

WFP supports self-determination such that all people have increased power to take up leadership roles and make decisions about their lives, food security and nutrition needs.



3

### ENHANCED PROTECTION TO ENSURE SAFETY, DIGNITY, AND MEANINGFUL ACCESS

WFP acknowledges that structural norms and unequal power dynamics disempower and discriminate against diverse people. Further they fuel gender-based violence.



4

### TRANSFORMATIVE ACTIONS ON SOCIAL NORMS AND STRUCTURAL BARRIERS

WFP will work with all partners to strengthen diverse beneficiary voices, agency, and leadership.

**Source:** WFP Insight Series—Harnessing the power of gender equality to achieve food security (2023)

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Guatemala / Esteban Barrera

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**World Food Programme**

Via Cesare Giulio Viola 68/70,  
00148 Rome, Italy - T +39 06 65131

**wfp.org**