



Climate and Disaster Risk Financing and Insurance



SAVING  
LIVES  
CHANGING  
LIVES

## Strengthening Resilience and Linking Private Sector Support to Farmers in Haiti

### BACKGROUND

Despite Haiti's status as one of the poorest countries globally and within the Latin America and Caribbean region (LAC), it faces a distinct challenge. The nation's extreme vulnerability to climate change and extreme events, coupled with ongoing political unrest, insecurity and instability, exacerbates its rapid economic decline.

Between 2000 and 2019, Haiti was ranked third among countries **most impacted in the world by extreme weather events**. According to the World Bank, 96 percent of Haitians live under the threat of at least two climate risks.

This convergence of sequential issues and challenges undoubtedly has a significant impact on food security in the country.

According to the latest Integrated Food Security Phase Classification (IPC) analysis (March-June 2023), half of Haiti's population (4.9 million) is facing acute levels of food insecurity (IPC 3+), and Haiti is amongst the five countries in the world with more than 10 percent of the population (1.8 million) in IPC4.

Given the frequent occurrence of severe weather events, the integrity of the food value chain is consistently jeopardized, ultimately resulting in prolonged periods of food insecurity.

Access to climate and disaster risk financing instruments, including solutions such as **index insurance**, is central to contribute to the goal of zero hunger through both saving lives and changing lives.

## ABOUT THE APPROACH

A significant portion of the most vulnerable population, approximately two-thirds, resides in rural areas and relies heavily on the agriculture sector. To enhance their climate, financial and environmental resilience there is a growing demand for well-designed interventions and accompanying strategies aimed at promoting effective climate change adaptation, both at the local and national levels.

Through WFP-supported climate risk insurance programmes, communities and smallholder farmers' associations can better cope with shocks, finance early responses after catastrophic events and expedite recovery from climate extremes. These initiatives contribute to strengthening resilience building initiatives, by promoting measures that enable individuals and communities to safeguard their investments against increasing climate risk patterns.

In 2022, as part of a wider **disaster risk financing strategy**, WFP Haiti has introduced WFP's flagship integrated climate risk management approach, the R4 Rural Resilience Initiative, to address both climatic and non-climatic drivers of vulnerability in the country. When it comes to risk financing, it is recommended to ensure diversity in the financial instruments being designed to effectively address hazards of varying intensities and frequencies.

These include access to inclusive insurance, along with other components that support income generation, asset creation, environmental rehabilitation, community governance, nutrition, behavior-change communication and social protection initiatives. As part of a risk-layering approach, WFP Haiti has introduced Anticipatory Action, while discussions are progressing with concerned government entities on the macro-level insurance approach. The objective is to provide better coverage from catastrophic shocks at the micro and national level.

Scaling risk financing instruments in Haiti includes the following objectives:

01



Disseminate inclusive insurance products on a large scale and **integrate them into resilience-building** strategies.

02



Maximize **efforts to create an environment** conducive to other financial services and tools (both formal and informal).

03



Complement other WFP Haiti interventions focusing on **reinforcing the capacities** of smallholder farmers, such as Home-grown School Feeding.

04



Develop an **inclusive approach** to distribution, emphasizing the building of capacities of local aggregators.

05



**Refine our layering strategy** for climate actions and build the right complementarity among our interventions, including macro and meso-level risk financing solutions and Anticipatory Action.



## IMPLEMENTATION PHASE 2023

WFP Haiti continues to strengthen its partnership with the Alternative Insurance Company (AIC), technical provider Weather Risk Management Services (WRMS), and reinsurer *Société Commerciale de Réassurance* (SCOR) in the implementation process of the index-based inclusive insurance cover. In 2023, this initiative covered **10,565 smallholder farmers**, including 1,200 households benefiting from social protection, with 50.5 percent representing women, spread across four geographic departments. Nearly 70 percent of the insured beneficiaries consists of smallholder farmers, while the remainder is distributed among Resilience Asset creation beneficiaries and Social Protection recipients.

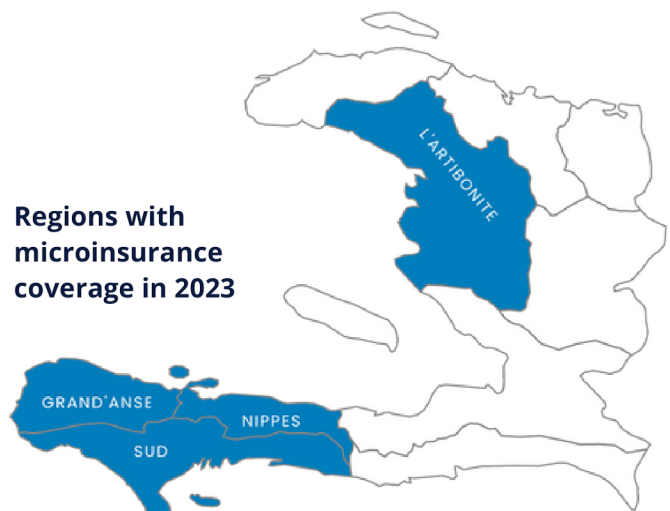
Following a product enhancement, the index insurance coverage has undergone notable improvements. While the average sum insured remains unchanged, there has been a substantial foreseeable increase in the payout frequency.

The coverage was designed to enhance the resilience of households, enabling participants to safeguard their productive investments and improve access to markets. After the policy renewal in August and September 2023, payouts were triggered in November 2023 for the first time, benefiting over **3,500 recipients across six communes** in Grand Anse.

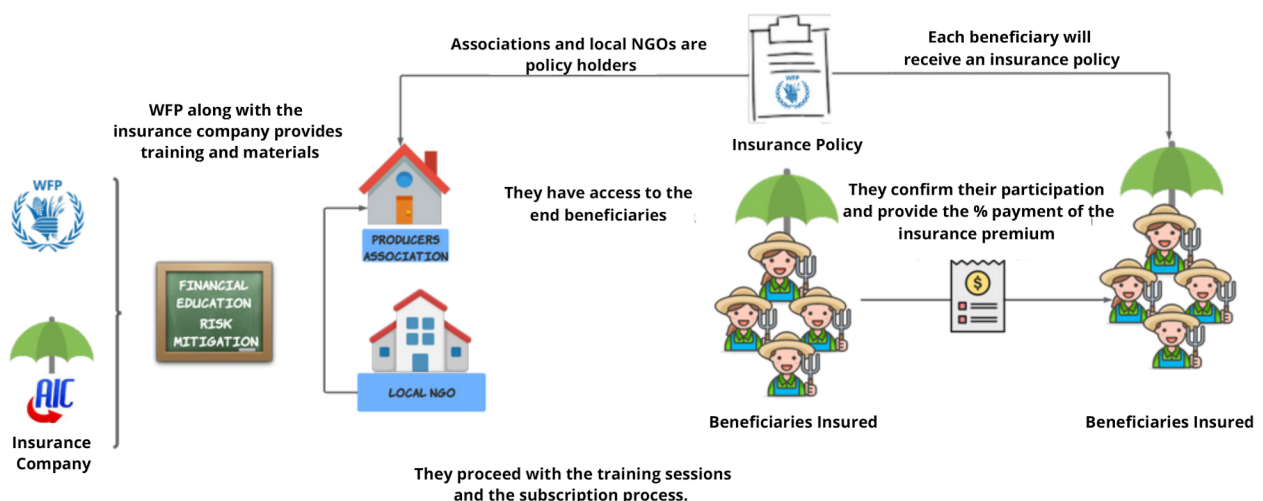
Over 35 percent of the total insured beneficiaries were first-time insured and also first-time insurance payout recipients. These eligible beneficiaries accounted for over 50 percent of the smallholder farmers, underscoring the significant impact and widespread adoption of this innovative insurance service.

Expanding the inclusive insurance outreach to other parts of the country will strengthen our various interventions, enabling WFP to engage at higher capacities in supporting the sector throughout different stages of the value chain.

WFP Haiti seeks to create better in-house synergies by providing risk transfer tools and collaboratively working on the rehabilitation of agricultural infrastructures to enhance risk mitigation while building greater awareness at the community level.



## INSURANCE SUBSCRIPTION PROCESS



# BENEFICIARY TESTIMONIAL

**Cherly Belande** is from a municipality within the commune of Marfranc in Grand Anse and is an active member of Agricultural Producer Organization (OPA) ED - FANMI. At 45 years old, as a landowner, Cherly cultivates a diverse range of crops. Notably, she serves as a member of the managing committee of her OPA and has been a beneficiary of insurance coverage since 2022. Additionally, Cherly takes pride in contributing to her community as her OPA is amongst the many providers for the school feeding programmes in her area. Cherly's region experienced severe losses due to an extended dry spell that persisted throughout 2022 into 2023, significantly affecting the harvests for that period.

Cherly stands as a prominent leader within her community, making invaluable contributions to the successful realization of insurance gatherings and trainings. As one of the key members, Cherly has played a pivotal role in disseminating essential messages within groups of insured beneficiaries. Her commitment and efforts support the field actions in our communication strategy.

"Thanks to the insurance project paid for by WFP, despite losing our crops because of the excess rain last November, we have received compensation that will help us buy seeds to restart production."

**Cherly Belande**, 45 years old  
Member OPA ED - FANMI



	2022 Pilot	2023-24 Scale-up	2024-25 Planned
People Insured	4,990 farmers 51% women	10,565 farmers & SSP 50,5% women	14,011 farmers & SSP 50,5% women
Location	2 departments 11 communes	4 departments 21 communes	6 departments 29 communes
Premium (US\$)	US\$ 90	US\$ 91,98	US\$ 91,98
Sum Insured (US\$)	US\$ 900	US\$ 900 - 400	US\$ 900 - 400
Covers	<ul style="list-style-type: none"><li>Excess rain</li><li>Rain deficit</li></ul>	<ul style="list-style-type: none"><li>Excess rain</li><li>Rain deficit</li><li>Wind speed</li></ul>	<ul style="list-style-type: none"><li>Excess rain</li><li>Rain deficit</li><li>Wind speed</li></ul>
Payouts (US\$)	0	US\$ 128,664	

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