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# Disaster Risk Financing

Annual Report 2024

April 2025





Namushi, a 65-year-old farmer and community leader in Zambia, received assistance funded by the ARC Replica payout.

# Contents

Acronyms	2
Foreword	5
Vision, Goals and Targets	6
Our Action in 2024	8
WFP-supported Disaster Risk Financing Programmes	9
Interviews	16
Our Reach and Scale in 2024	20
<b>Asia and the Pacific</b>	<b>22</b>
Bangladesh	23
Cambodia	25
Kyrgyz Republic	27
Pacific SIDS	29
<i>Stories from the Field</i>	31
<b>East Africa</b>	<b>33</b>
Ethiopia	34
Kenya	38
Somalia	40
Sudan	42
<i>Stories from the Field</i>	44
<b>Middle East</b>	<b>46</b>
Iraq	47
Syria Arab Republic	49
<b>West Africa</b>	<b>51</b>
Burkina Faso	52
Côte d'Ivoire	56
Mali	58
Mauritania	60
Niger	62
Senegal	64
The Gambia	66
<i>Stories from the Field</i>	70
<b>Southern Africa</b>	<b>72</b>
Democratic Republic of the Congo	73
Madagascar	75
Malawi	79
Mozambique	81
Zambia	85
Zimbabwe	89
<i>Stories from the Field</i>	93
<b>Latin America and the Caribbean</b>	<b>95</b>
Caribbean (Belize, Dominica, St Lucia, Antigua & Barbuda, Grenada, Jaimaica, St Vincent & Grenadines)	96
Cuba	100
Guatemala	102
Haiti	104
<i>Stories from the Field</i>	106
Monitoring, Evaluation and Learning	108
Empowering women through Disaster Risk Financing	112
Financial Inclusion as a critical tool to build resilient food systems	115
Looking Ahead	118

# Acronyms

AA	Anticipatory Action
AF	Adaptation Fund
AfDB	African Development Bank
AICRM	Africa Integrated Climate Risk Management
ARC	African Risk Capacity
ARC Ltd	African Risk Capacity Limited
ARV	Africa RiskView
AYII	Area Yield Index Insurance
BMZ	Federal Ministry for Economic Cooperation and Development of the Federal Republic of Germany
CBPP	Community-based participatory planning
CBT	Cash-based Transfer
CBO	Community-Based Organizations
CCRIF SPC	Caribbean Catastrophe Risk Insurance Facility Segregated Portfolio Company
CDRFI	Climate and Disaster Risk Financing and Insurance
CDP	Centre for Disaster Protection
CHIRPS	Climate Hazards Group InfraRed Precipitation with Station data
CO	Country Office
CoE	Center of Excellence on Gender-smart Solutions
CRI	Climate Risk Insurance
CSP	Country Strategic Plan
DRIVE	De-risking, Inclusion and Value Enhancement of Pastoral Economies in the Horn of Africa
DRM	Disaster Risk Management
DRF	Disaster Risk Financing
EIG	Economic Interest Groups
FbF	Forecast-based Financing
FCDO	Foreign, Commonwealth, & Development Office
FFA	Food Assistance for Assets
FGD	Focus Group Discussions
FII	Forecast Index Insurance
FIP	Final Implementation Plan
FISP	Farmer Input Support Programme
FSP	Financial Service Provider
GAC	Global Affairs Canada
GCF	Green Climate Fund
GFD	General Food Distribution
GIZ	German Agency for International Cooperation
GSFF	Global Shield Financing Facility
HGSF	Home-Grown School Feeding
ICRM	Integrated Climate Risk Management



IDF	Insurance Development Forum
IDP	Internally Displaced People
IFAD	International Fund for Agricultural Development
IGA	Income-Generating Activities
IGP	InsuResilience Global Partnership
IMF	International Monetary Fund
IPC	Integrated Food Security Phase Classification
IRF	Inclusive Risk Financing
KfW	<i>Kreditanstalt fuer Wiederaufbau</i> - German state-owned development bank
KOICA	Korea International Cooperation Agency
MCO	Multi-country Office
MEL	Monitoring, evaluating, and learning
MoU	Memorandum of Understanding
MSME	Micro, Small and Medium-sized Enterprises
NDVI	Normalized Difference Vegetation Index
NORAD	Norwegian Agency for Development Cooperation
OP	Operational Plan
PICRIC	Pacific Catastrophe Risk Insurance Company
PICSA	Participatory Integrated Climate Services for Agriculture
PPP	Public-Private Partnership
REAP	Risk-informed Early Action Partnership
RUSACCO	Rural Savings and Credit Cooperative (RuSACCO)
R4	R4 Rural Resilience Initiative
RTP	Risk Transfer Parameters
SAMS	Smallholder Agricultural Market Support
SAILL	Savings, Insurance and Loan Layering
SDC	Swiss Agency for Development and Cooperation
SDGs	Sustainable Development Goals
SEADRIF	Southeast Asia Disaster Risk Insurance Facility
SIDS	Small Islands Developing States
SLP	Seasonal Livelihoods Planning
SRSP	Shock Responsive Social Protection
ToT	Training of Trainers
TWG	Technical Working Group
UNCDF	UN Capital Development Fund
UNDP	UN Development Programme
USAID	United States Agency for International Development
VESA	Village Economic and Social Associations
VSLA	Village Savings and Loans Association
WB	World Bank
WII	Weather Index Insurance
WRSI	Water Requirement Satisfaction Index
WFP	World Food Programme





Participants attending a payout ceremony in Mozambique.



# Foreword

300 million people required humanitarian assistance and protection in 2024, and this is projected to rise to 340 million people in 2025 (OCHA). Meanwhile, humanitarian response funding did not keep pace: only US\$22.6 billion of the US\$49 billion required (as per the 2024 Global Humanitarian Overview) was confirmed by the end of the year. It is clear that the international crisis financing system in its current form is not meeting the needs of the world's most vulnerable people. More needs to be done.

A central part of the solution must be to invest in more effective crisis protection mechanisms, in order to address, contain and reduce growing levels of humanitarian need. Protecting against the rising frequency and intensity of weather-related shocks as a major driver of global hunger is an important step. There are new opportunities for progress in this space.

Advances in data science have improved our ability to detect and model the impacts of extreme weather events, before disaster strikes. There is growing recognition<sup>1</sup> that pre-arranged financing solutions, should play a more significant role including insurance and contingency funds. They provide timely, ringfenced funding that bridges the gap between the immediate needs of disaster-affected populations and the resources available. By ensuring that governments, humanitarian organizations and other stakeholders can access financial resources immediately after extreme weather events, pre-arranged financing reduces the impact of shocks and prevent people from becoming more vulnerable.

WFP supports the ambitious goal of increasing pre-arranged crisis financing from the current two percent to twenty percent in the coming years, in line with global commitments as articulated by the High Level Panel on Closing the Crisis Protection Gap. For 15 years, WFP has provided governments and communities with access to disaster risk financing solutions. From integrating inclusive risk

financing with activities that strengthen resilience to shocks; to helping develop risk financing solutions that strengthen national preparedness; to providing financial protection through regional risk pools, such as such as the Africa Risk Capacity (ARC)<sup>2</sup>. This work is closely aligned with WFP's Anticipatory Action and Early Warning Services portfolio — a key element of its broader risk financing toolkit. By strengthening coordination between early warning, pre-arranged financing, anticipatory action and early response, WFP is enhancing its ability to protect vulnerable populations more effectively.

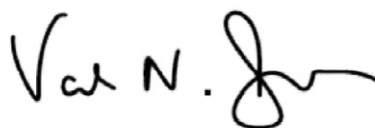
In 2024, WFP supported over six million people across 37 countries to access disaster risk financing protection, with over US\$361 million of financial coverage. In areas affected by drought, floods and tropical cyclones, US\$49 million in payouts enabled WFP to assist over two million people – US\$33 million higher than 2023.

In 2025, WFP plans to enhance linkages between its disaster risk financing portfolio and adaptive social protection systems in Africa, Asia Pacific region, and the Caribbean. In addition, WFP will generate evidence on how to optimize disaster risk financing in a financially constrained humanitarian sector.

We are grateful for the continuous support of our partners and donors and look forward to continuing this important work in 2025.

## **Valerie Guarnieri**

*Assistant Executive Director,  
Programme and Operations  
World Food Programme*



<sup>1</sup> See the report from the High Level Panel on Closing the Crisis Protection Gap.

<sup>2</sup> Beyond ARC, WFP also works with the Caribbean Catastrophe Risk Insurance Facility (CCRIF SPC), the Pacific Catastrophe Risk Insurance Company (PCRIC) and the Southeast Asia Disaster Risk Insurance Facility (SEADRIF), to finance early disaster responses triggered by catastrophic weather-related shocks.

# Vision, Goals, Targets

## Vision

The World Food Programme (WFP) is the leading humanitarian organization saving lives and changing lives, delivering food assistance in emergencies and working with communities to improve nutrition and build resilience. WFP's vision is to end global hunger by helping reduce risk and vulnerability to shocks and achieving sustainable food security and nutrition.

For WFP, enabling access to disaster risk financing instruments is central to fulfilling its mandate of saving lives and changing lives while ending global hunger. The fast recovery and protection from losses and damages that pre-arranged financing can provide helps countries and households to better manage the impacts of disasters, which is why WFP is advancing financial protection as one avenue for building resilience to extreme weather events.

Through its disaster risk financing programmes, WFP supports governments and communities to cope with shocks, supporting early responses after catastrophic events, enabling faster recovery from weather-related extremes and promoting resilience-building measures that protect individuals and communities from disasters.

**Safeguarding food security and building resilience through financial protection against disasters for the most vulnerable**

## Goals

WFP aims to build the resilience of vulnerable and food insecure people by enabling access to sustainable, scalable and innovative disaster risk financing instruments. It aims to improve the current humanitarian funding model to a more forward-looking one that enables more timely financing for quicker and more predictable action and assistance to populations at risk. WFP aims to achieve this by:

- **PROMOTING** an enabling environment for disaster risk financing instruments – and in particular, climate risk insurance solutions – by strengthening the capacities of governments and local stakeholders and fostering public-private partnerships.
- **INVESTING** in systems and facilitating the creation of conducive market conditions for sustainable insurance services while making products more innovative, efficient and valuable to the insured.
- **ADOPTING** risk-layered approaches, combining several disaster risk financing solutions, to effectively address risks of varying timing, severity and frequency. In particular, integrate risk transfer (insurance), risk retention (savings, contingency funds and anticipatory action) approaches.
- **FOSTERING** integration and linkages with WFP programmes, as well as government and private sector programmes and initiatives, in particular with social protection systems, market access and emergency preparedness initiatives.
- **STRENGTHENING** existing collaboration with international agencies, institutions and global insurance networks and platforms.
- **GENERATING** robust evidence on the impacts and effectiveness of disaster risk financing and early action.



Enabling access to sustainable and scalable disaster risk financing solutions through integrated and risk-layered approaches

## International Community Commitments & Targets

As part of the InsuResilience Vision 2025, the G7 and other countries have committed to ensuring 500 million poor and vulnerable people are covered against weather and disaster shocks by pre-arranged finance and insurance mechanisms by 2025. Moreover, in 2022, the G7/V20 launched the Global Shield against Climate Risks at COP27, an initiative for pre-arranged financial support designed to be easily deployed in times of weather-related disasters. WFP is a member of the Global Shield Coordination Hub to support the expansion of disaster risk financing protection in vulnerable countries across the globe. In 2025, WFP will sign an agreement with the World Bank's Global Shield Financing Facility (GSFF) to receive a transfer out of US\$16 million to enhance WFP's efforts to protect vulnerable communities with enhanced disaster risk financing and more adaptive social protection systems. Through its disaster risk financing programmes, WFP is contributing to reaching the goals of the international community in scaling up protection of the most vulnerable against increasing weather-related shocks.

## Targets

### TARGET 1

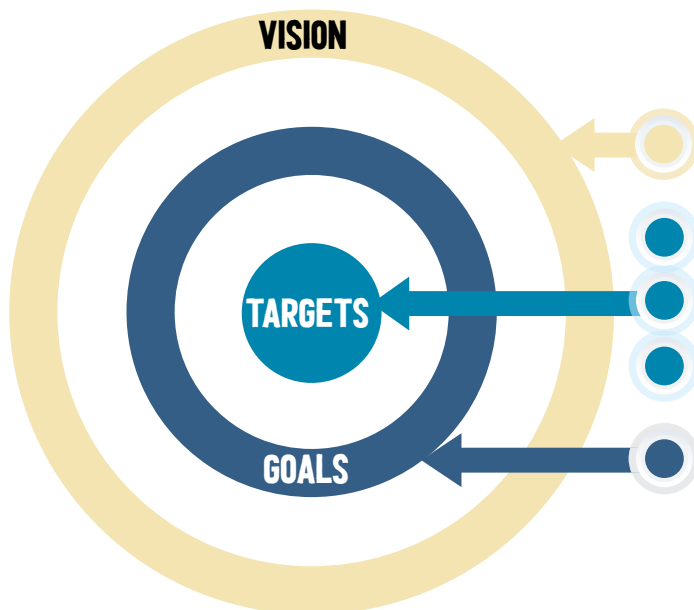
**6 million people** protected by disaster risk financing **in 2025**.

### TARGET 2

**By 2025**, WFP will support **25 countries** to access disaster risk financing solutions.

### TARGET 3

**By 2025**, WFP will provide up to **US\$300 million** in financial protection against weather-related risks per year.



For WFP, enabling access to **disaster risk financing instruments** is central to fulfilling its mandate of saving lives and changing lives while ending global hunger.

**6 million people** protected by disaster risk financing **in 2025**.

**By 2025**, WFP will support **25 countries** to access disaster risk financing solutions.

**By 2025**, WFP will provide up to **US\$300 million** in direct financial protection against weather-related risks per year.

WFP aims to build the resilience of vulnerable and food insecure people by enabling access to sustainable, scalable, and innovative **disaster risk financing** mechanisms. It aims to improve the current humanitarian financing model to a more forward-looking one that enables more timely financing for quicker and more predictable action and assistance to populations at risk.

# OUR ACTION IN 2024

## Macro-level Risk Financing



**2.8 million** people protected by macro-level insurance during the 2022/23 season



Total value of premium amounts to **US\$12.1 million**



Over **US\$102.9 million** in financial coverage



Over **614,000** people received WFP assistance funded by macroinsurance payouts in 2024



**US\$13.5 million** in macro-risk financing payments triggered in 2023/2024, of which **US\$7.3 million** was transferred to beneficiaries in 2024

## Inclusive Insurance



Over **3.1 million** people covered by inclusive and/or meso-level insurance in 2024



Total value of premium amounts to nearly **US\$14.8 million**



Over **US\$248 million** in financial coverage, including over **US\$167 million** in indirect coverage through technical assistance



Over **1.4 million** people benefiting from inclusive insurance payouts distributed in 2024



Over **US\$41.5 million** in insurance payouts distributed in 2024

## Financial Inclusion



Over **320,000** participants engaged in financial inclusion initiatives in countries where WFP implements disaster risk financing programmes



**68 percent** of participants are **women**



Over **US\$17 million** saved by participants of financial inclusion programmes in countries where WFP implements disaster risk financing programmes



**US\$10.2 million** of loans accessed by financial inclusion initiative participants in countries where WFP implements disaster risk financing programmes





Beneficiary registering for the insurance product in Haiti.

## WFP-supported Disaster Risk Financing Programmes

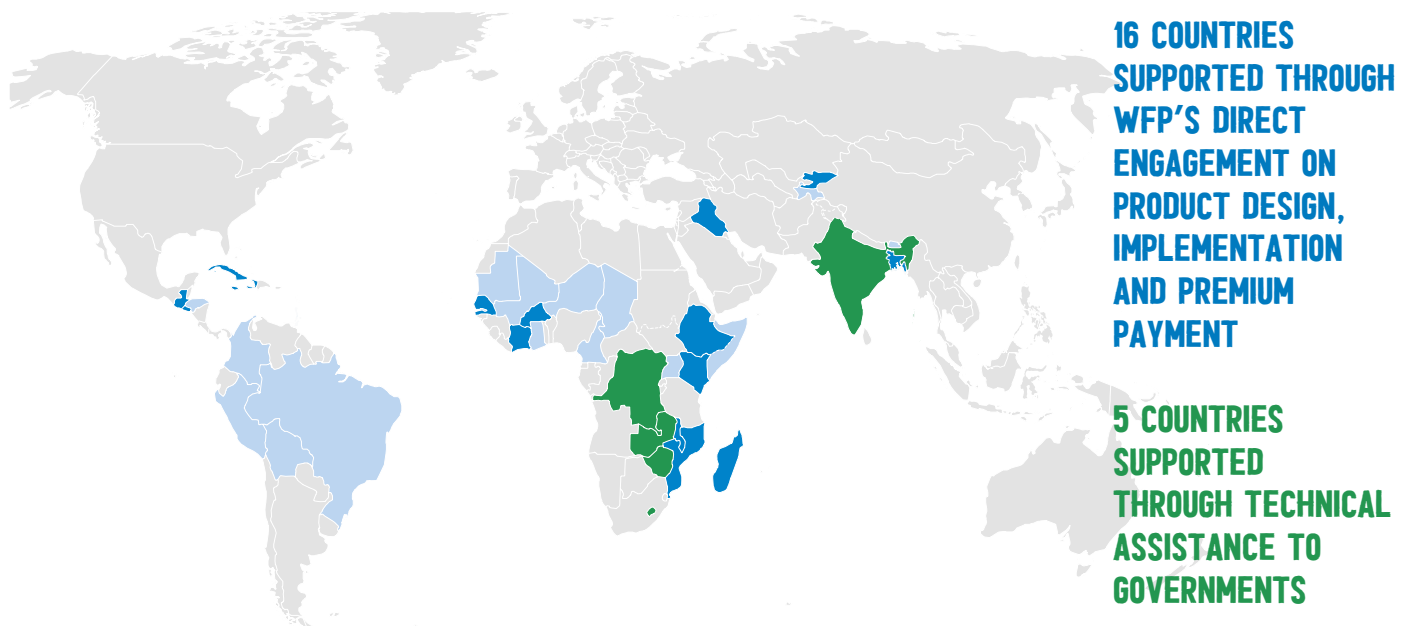
The growing crisis protection gap is a significant driver of global hunger, as it leaves vulnerable people without the financial support they need to recover from shocks—whether weather-related or otherwise—that threaten their lives, livelihoods and food security. This gap means that people often lack the resources to protect themselves and rebuild in the aftermath of crises, exacerbating food insecurity. For over a decade, WFP has focused on addressing this protection gap by promoting risk management strategies to prevent crises and ensure that people can better withstand and recover from shocks.

Disaster risk financing (DRF), including insurance, plays a crucial role in addressing the crisis protection gap, supporting WFP's mandate of saving lives and changing lives. These financial solutions enable governments and communities to better manage shocks, providing timely resources that support early responses and faster recovery, while reinforcing governments and communities' ability to cope with future disruptions. By linking disaster risk financing with government-led social

protection systems at national, regional or local levels, these schemes have the potential to better target and reach vulnerable people in response to weather-related shocks and other disasters.

Over the last decade, WFP has led the way in developing and testing innovative disaster risk financing solutions. These solutions are crucial in closing the gap between the support needed by vulnerable communities and what is actually received during and after crises. When these solutions are integrated with other risk management strategies such as nature-based solution, ecosystems restoration, climate services, adoption of improved farming practices and better access to financial services, they provide essential financial protection against different types and levels of shocks, unlock investment potential and support livelihoods diversification. WFP's Disaster Risk Financing programmes focus on two workstreams that support beneficiaries through inclusive risk financing and macro-level risk financing.

**FIGURE 1**  
**Inclusive Risk Financing Programmes**



## Inclusive Risk Financing

Smallholder farmers, pastoralists, and micro-, small and medium-sized enterprises (MSMEs) across the world are highly vulnerable to weather-related risks, such as droughts, floods and storms. They also have very limited access to the risk financing tools and services that can mobilise resources to manage such risks.

Recognizing this gap, WFP has made significant strides over the last decade to unlock access to financial services for over 10.5 million vulnerable people through integrated risk management strategies, initially building on the R4 Rural Resilience Initiative. These efforts have helped communities better manage weather-related and other risks, reducing their vulnerabilities in the face of increasing crises. These tools complement each other and provide support for different risk severity levels, enabling individuals to manage a variety of risks.

A 2023 study by [Tetra Tech](#) found that the R4 initiative positively impacted households by improving food security, coping capacity and food consumption in the face of weather-related shocks. Insurance instruments provided by R4 helped prevent households from taking negative coping strategies, such as reducing food consumption, with insured farmers benefiting more compared to those without insurance. However, the study also revealed that R4 participants did not always prioritize investments to enhance long-term productivity and resilience.

Informed by the lessons learned and evidence gathered over the years, R4 has evolved from an initiative into a comprehensive and streamlined Inclusive Risk Financing (IRF) approach, focused on strengthening resilient food value chains for sustainable food security and nutrition. With the goal to enhance the sustainability and scale of financial services tailored to build resilient food systems, in 2024, WFP redefined its strategy to improve the effectiveness and sustainability of its Inclusive Risk Financing programmes, focusing on three strategic areas:



## **1. Improve programmatic targeting and integration**

WFP has been refining its targeting approach, ensuring that different participant segments are offered the appropriate combination of financial instruments based on their socio-economic profiles. The Tetra Tech study highlighted that some segments have benefited more than others, suggesting a need for greater flexibility in the programme design. Based on this, WFP is integrating risk financing tools with other relevant WFP programmes that support market access, resilient food systems and value chains, and digital financial inclusion. By leveraging these programmes, WFP is enhancing impact, promoting sustainability and better meeting the diverse needs of participants.

## **2. Improve the quality of programmatic interventions**

WFP is placing greater emphasis on improving access to savings and credit, while adjusting the role of insurance based on the frequency and severity of the risks and the socio-economic profile of participants. Insurance is prioritized for higher income smallholder farmers who can access it either commercially or through integration with government schemes and input provision programmes. Insurance will keep focusing on most catastrophic and less frequent shocks, whereas savings, emergency funds and other risk sharing and retention schemes will focus on managing more frequent and less catastrophic shocks. WFP is also enhancing the role of meso-level schemes where agricultural cooperatives, financial service providers (FSPs) and local governments are already playing an instrumental role. Examples of this include programmes in Ethiopia, Kyrgyz Republic and Madagascar. For subsistence farmers, WFP will focus on linking macro-level insurance and anticipatory actions with financial services such as savings and loans. The focus is also on testing and scaling up innovative approaches, like forecast index insurance and rewarding the adoption of risk

reduction measures through premium discounts. On the savings side, WFP continues supporting the financial capacity of Community-Based Organizations (CBOs) and Village Savings and Loan Associations (VSLAs) to scale up their impact and capacity to provide financial services. On the credit side, collaboration with other teams within WFP are unlocking opportunities to promote specialized credit lines to boost productivity and finance climate adaptation. De-risking mechanisms, such as credit-linked insurance, are being enhanced considering the enabling role that insurance plays to unlock credit. Overall, by building financial resilience, WFP is helping to reduce humanitarian needs and enhance long-term financial resilience for vulnerable populations.

## **3. Build a more deliberate sustainability and exit strategy**

As WFP's programmes mature, sustainability and local ownership are paramount. WFP is working toward integrating its programmes into national systems to ensure long-term sustainability. This involves integrating financial services as part of shock-responsive measures into government programmes like social protection or agricultural input access, as is the case in Ethiopia and Zambia. Additionally, WFP keeps supporting the strengthening of local markets, by addressing both demand and supply-side challenges. This is done by identifying and overcoming barriers that prevent vulnerable populations from accessing and benefiting from financial services, such as through temporary premium subsidies and investments in financial literacy. On the supply side, WFP focuses its efforts on building the capacity of local providers to offer financial services effectively. The goal is to ensure that these services are well-tailored to the needs of vulnerable populations, are affordable, and are accessible to rural communities.

Through these changes, WFP aims to enhance the resilience of vulnerable populations, optimize financial services, and ensure the long-term sustainability of its disaster risk financing efforts.

## 2024 ACHIEVEMENTS

In 2024, WFP protected over three million people across 16 countries (Bangladesh, Kyrgyz Republic, Burkina Faso, Côte d'Ivoire, Ethiopia, Guatemala, Haiti, Iraq, Kenya, Kyrgyz Republic, Malawi, Madagascar, Mozambique, Senegal, The Gambia and Zambia) against a range of perils, including drought, excess rainfall, heatwaves, pests and diseases —through its Inclusive Risk Financing programmes. WFP provided financial protection of over US\$248 million, with premiums totalling nearly US\$15 million. Following weather-related shocks, over US\$41 million in payouts were triggered, directly benefitting over 1.5 million people. Additionally, WFP either provided technical assistance or laid the groundwork for capacity strengthening in the Democratic Republic of Congo, India, Lesotho, Zambia and Zimbabwe.

WFP made significant progress in mainstreaming the needs of women and men within its inclusive risk financing programmes, reaching several key milestones in 2024. A notable accomplishment was the development and piloting of a checklist in Bhutan, designed to ensure that WFP's risk financing instruments address the distinct needs and preferences of women and men. This checklist provides a framework for integrating these important considerations across all programmatic phases: inception, planning, implementation and monitoring & evaluation.



A lifelong farmer, Worrel Davis suffered severe damage to his farm when Hurricane Beryl struck. He received cash assistance from WFP, which he used to meet his basic needs, including food.

## Macro-level Risk Financing

Each year, governments and humanitarian organizations spend billions responding to weather-related disasters, yet a significant protection gap remains—leaving many vulnerable populations without the financial tools needed to recover from these shocks. Macro-level disaster risk financing solutions, such as insurance policies purchased by governments and humanitarian agencies, offer a way to provide faster, more cost-effective and predictable funding for emergency response.

As a leader in humanitarian risk financing, WFP partners with governments and regional risk pools to purchase macro insurance or top-up government insurance policies to protect those most vulnerable to the effects of extreme weather events. These instruments ensure that when disasters strike, rapid finance is available to support affected communities, either through government-led shock-responsive or adaptive social protection systems or through WFP's direct assistance programmes.

### ARC REPLICA: EXPANDING FINANCIAL PROTECTION IN AFRICA

WFP's ARC Replica programme provides insurance protection against droughts and tropical cyclones in Africa. By matching or supplementing the insurance policies of national governments purchased through the African Risk Capacity (ARC) Ltd., WFP ensures that more financial resources are available for timely emergency responses when disaster strikes.

In addition to securing financial protection, ARC Replica strengthens national disaster response by:

- Supporting governments in customizing hazard models and risk assessments;
- Enhancing contingency planning to improve coordination between governments and humanitarian agencies;

- Ensuring that insurance payouts are swiftly translated into life-saving assistance for affected communities.

## 2024 ACHIEVEMENTS

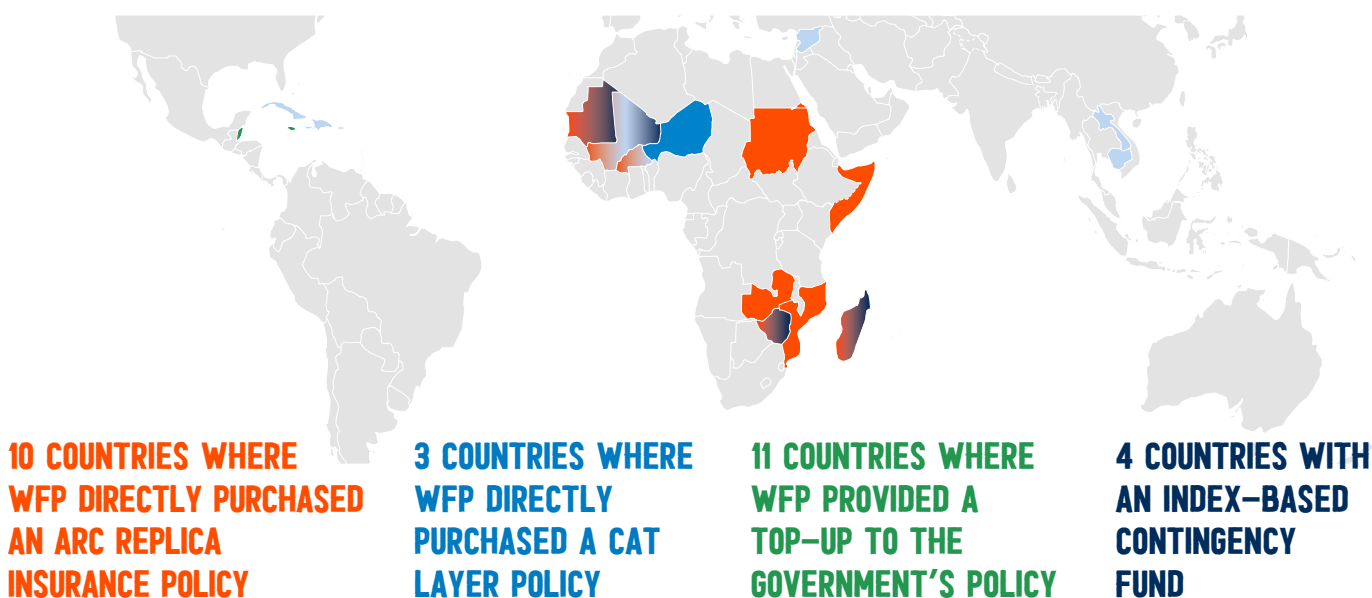
In 2024, WFP protected 1.8 million people across ten African countries (Burkina Faso, Madagascar, Mali, Mauritania, Mozambique, Somalia, Sudan, The Gambia, Zambia and Zimbabwe) from weather-related disasters. WFP secured US\$48 million in financial protection through ARC Replica insurance policies, with premiums totalling over US\$8.6 million.

In late 2023, a US\$2.6 million payout for WFP in Burkina Faso was triggered. The payout was implemented in 2024 to support 37,000 people with three months of in-kind food assistance. In Zimbabwe, WFP's ARC Replica policy triggered a US\$6.09 million payout following severe drought. Considering the disparate rainfall conditions experienced in the country, ARC confirmed a minimum guaranteed payout before the coverage

period ended. As a result, WFP was able to pre-finance food assistance and start distributions months ahead of other partners—reaching 272,000 people in three districts before the crisis peaked. In Zambia, WFP received the maximum payout of US\$3.3 million, enabling rapid cash transfers to 169,000 people over a period of six months, helping them recover faster and safeguard their livelihoods.

On the early response and preparedness front, WFP updated multiple contingency plans and organized several capacity-building events, including Final Implementation Plan simulations. A notable focus in 2024 was ensuring that macro-level risk financing interventions were sensitive to the distinct needs of women and men. WFP conducted climate-sensitive analyses in Somalia and Mozambique to better understand the different vulnerabilities of women and men to weather-related and disaster risks. These studies also examined their resilience capacities and the availability of risk financing systems and services, with findings informing the integration of these considerations into contingency plans and action plans for 2025.

**FIGURE 2**  
**Macro Risk Financing Instruments**



Some countries have multiple macro-level risk financing instruments, including: Burkina Faso (with ARC Replica and Cat Layer policy); Mali (with ARC Replica, Cat Layer policy, and index-based contingency fund); Mauritania (with ARC Replica and index-based contingency fund); Madagascar (with ARC Replica and index-based contingency fund); and Zimbabwe (with ARC Replica and index-based contingency funds).



# Expanding National-Level Disaster Risk Financing in Other Regions

Building on lessons from implementing macro-level risk financing instruments in Africa, WFP has expanded its macro portfolio to other regions, including Latin America and the Caribbean and the Asia and the Pacific.

## LATIN AMERICA AND THE CARIBBEAN

Since 2021, WFP has expanded its risk financing activities in the Caribbean by supporting government efforts to strengthen disaster preparedness. This includes topping up government premiums for policies purchased from the Caribbean Catastrophe Risk Insurance Facility (CCRIF SPC). In 2024, WFP continued supporting Belize, Dominica and St. Lucia, securing additional insurance coverage of US\$8.5 million, protecting more than 62,000 people against the impacts of hurricanes and excess rainfall.

WFP also expanded coverage in Antigua, Grenada, Jamaica and St. Vincent and the Grenadines through the WFP-CCRIF top-up model. Supported by the Caribbean Development Bank and the Canada-CARICOM Climate Adaptation Fund, this initiative provided top-ups on tropical cyclone and rainfall insurance policies, potentially enabling US\$16.3 million in cash transfers in 2024 across all countries.

If triggered, a pre-defined portion of payouts will be allocated to scale up support to vulnerable people through social protection systems or pre-planned bespoke cash assistance programmes, enabling faster and more targeted support for affected communities.

## ASIA AND THE PACIFIC

WFP has been a key driver in advancing Disaster Risk Financing and macro insurance mechanisms across the Asia-Pacific region, partnering with governments, regional organizations and development partners to enhance financial preparedness for weather-related disasters. In 2024, WFP partnered with the Pacific Catastrophe Risk Insurance Company (PCRIC) to design a programme that would facilitate increased insurance coverage to vulnerable countries. In November, WFP supported Fiji, Samoa, Tonga and Vanuatu in accessing initial or increased sovereign parametric insurance for tropical cyclones from PCRIC. These policies help governments strengthen their financial resilience and improve disaster response capabilities.

In Cambodia, WFP continued its engagement with government and other partners to enhance the country's Disaster Risk Financing framework. In 2024, WFP organized a successful orientation session on DRF with the World Bank for over 40 government officials and development partners. The event focused on strengthening financial resilience and integrating DRF with people-centered approaches, such as social protection. In 2025, WFP will continue to explore the government's interest in advancing specific DRF instruments in line with the country's DRF strategy.

## FRAGILE CONTEXTS: PIONEERING INSURANCE IN CONFLICT-AFFECTED SETTINGS

In 2024, WFP expanded its portfolio in fragile settings, recognizing the urgent need for innovative solutions in highly vulnerable regions. In collaboration with the insurance industry, including Swiss Re, Hiscox and Howden, WFP developed a macro insurance policy to finance its operations to enable WFP to provide a vital financial safety net for communities in Syria vulnerable to drought.

Launched in January 2025, the policy is structured to trigger a payout if a drought occurs in key food-producing areas, enabling WFP to rapidly deliver up to US\$9.25 million in assistance to affected communities, safeguarding food security and sustaining development progress. This initiative was developed through the Insurance Development Forum (IDF) Sovereign and Humanitarian Solutions Working Group.

## Risk Layering

To optimize resources, WFP is adopting a risk-layering approach—combining different financing instruments based on the severity and frequency of shocks in a given country.

To address localized shocks that impact only a few districts within a country, WFP is piloting an index-

based contingency fund. Currently operational in Mali, Madagascar, Mauritania and Zimbabwe, the fund enables timely financial support to WFP Country Offices to assist affected people when localized drought conditions are met but do not reach the national scale required to trigger the ARC Replica insurance policy.

For extreme, low-frequency shocks, WFP has introduced the Sahel Climate Catastrophe Layer (Cat Layer) in Burkina Faso, Mali and Niger—providing additional protection for 750,000 people against catastrophic droughts and providing additional resources on top of ARC Replica coverage.

By strategically integrating insurance, contingency funding, and adaptive social protection programmes, WFP is expanding financial protection for vulnerable communities and ensuring humanitarian assistance reaches those in need—faster and more effectively than ever before.





# INTERVIEWS

## Centre for Disaster Protection Interview

**Cristina Stefan**

*Head of Advisory - Centre for Disaster Protection*



Planning ahead for crises—especially through pre-arranged financing—ensures that when weather-related shocks occur, everything is in place for a fast and effective response. Given the increasing costs and complexities driven by increasing weather-related shocks, this forward planning is crucial to ensure that affected populations receive timely support. Planning for more complex humanitarian crises can be challenging, given the difficulty to predict exactly what type of response and funding will be needed. Therefore, carefully designing the right financing instrument is key to addressing these complexities effectively.

One of the main technical challenges when designing pre-arranged financing is estimating the financing needs associated with potential future crises, and developing instruments which line up with this future potential cost. Predicting future costs is difficult, but the humanitarian sector has a wealth of experience and information from previous crises which can help to make this technical challenge easier. One basic strategy is to use cost information about previous responses and use this experience to build a more accurate picture of how future crises could unfold. This type of analysis is critical when designing pre-arranged financing instruments which perform well to respond to future crises.

To maximize resources and ensure their efficient use through risk financing, the Centre for Disaster Protection (CDP) and WFP have been collaborating to build the scope of work for a Disaster Risk Financing architecture study. The goal of the study is

to help WFP achieve substantial growth in financial protection for weather-related risks—targeting US\$1 billion by 2030—and optimize the use of various risk financing instruments. This will enable faster, more effective humanitarian action for populations vulnerable to weather-related shocks. Currently, CDP is working in an advisory capacity with WFP during the design process of the first regional drought CAT Bond that will be launched in cooperation with the WB Treasury. In this capacity, CDP will advise on the technical aspects, pricing, structuring and money-out aspects of the CAT Bond.

Looking ahead, we hope to see WFP strengthening its role in the DRF space, acting as a champion for other humanitarian organizations, by demonstrating that both standard post-disaster relief programmes and pre-arranged finance can exist and support resilience of vulnerable populations. We also hope to see WFP scaling up the delivery of DRF through adaptive social protection programmes that leverage government systems to identify and target vulnerable populations and incentivize better design of social protection programmes to effectively address poverty and food insecurity.

**WE HOPE TO SEE WFP STRENGTHENING ITS ROLE IN THE DISASTER RISK FINANCING SPACE, ACTING AS A CHAMPION FOR OTHER HUMANITARIAN ORGANIZATIONS.**





# INTERVIEWS

## Gallagher Re Interview

### **Antoine Bavandi**

*Global Head of Public Sector,  
Parametric & Climate Resilience Solutions  
Gallagher Re*



Complementing WFP's suite of risk-layered instruments, Gallagher Re, ARC Ltd and WFP co-developed a new parametric reinsurance product, the Sahel Climate Catastrophe Layer (SCCL), designed to provide quick access to capital when extreme drought conditions arise in Burkina Faso, Mali, Niger. This innovative product uses satellite data and advanced risk modelling to trigger up to US\$30 million payouts to WFP country offices as soon as drought conditions materialize. The product is backed by major reinsurers and fronted by ARC Ltd, demonstrating efficient risk transfer and the potential of private sector solutions for humanitarian risk finance. By focusing on extreme drought events at the regional level, the product maximizes the use of third-party capital, creates economies of scale, and ensures swift financing in fragile and conflict-affected areas.

Although 55 percent of crises are predictable globally, less than one percent of the funding is effectively pre-arranged. With the growing humanitarian needs, driven by conflict, weather-related and macro-economic shocks, early action through pre-arranged finance is becoming more critical. Leveraging private sector capital for extreme events, which are often too costly to fund with taxpayer money, is a cost-effective way to address these needs. Recent advances in remote-sensing technology and disaster risk finance tools have unlocked new solutions, such as index-based insurance and catastrophe bonds, which offer reliable financing for severe events, especially in hard-to-reach areas.

Disaster risks present challenges but also offer opportunities for new resilience pathways.

The protection gap, especially for systemic and highly correlated risks, is vast, measured in trillions of dollars. The financial needs far exceed current funding, and mobilizing capital for uncertain extreme events, particularly in conflict zones or climate hotspots, is a major challenge. The risk and reinsurance industry has the expertise to help solve some of these issues, offering a unique opportunity to leverage private sector resources to connect capital and response efforts in a timelier and direct manner.

A holistic approach to risk financing, using a combination of instruments for different frequencies and severities of risks, maximizes value for money and optimizes crisis response. This approach fosters affordable and sustainable solutions by leveraging public and private sector funding. Given the urgency of geopolitical crises and increasing weather-related shocks, it is crucial to strengthen humanitarian responses and utilize all available financial protection instruments. Gallagher Re supports closing the crisis protection gap with scalable, sustainable risk financing solutions, supporting WFP's efforts for food security and resilience against weather-related shocks.

**GALLAGHER RE SUPPORTS CLOSING THE  
CRISIS PROTECTION GAP WITH SCALABLE,  
SUSTAINABLE RISK FINANCING SOLUTIONS,  
SUPPORTING WFP'S EFFORTS FOR FOOD  
SECURITY AND RESILIENCE AGAINST  
WEATHER-RELATED SHOCKS.**



# INTERVIEWS

## Kyrgyz Republic, Local Government Administration Interview

**Isaev Tursunbai Omurbekovich**

*Real Sector Department Specialist,  
Naryn District State Administration*



Since 2023, local authorities in the Naryn district, in partnership with WFP, have been implementing an inclusive livestock insurance project. One of the primary challenges when starting this initiative was the low awareness among local authorities about the benefits of using insurance in protecting their constituents. Additionally, there are major challenges in introducing insurance due to inadequate infrastructure for collecting climate data, which hinders accurate risk assessment. In 2023, WFP began collaborating with the Kyrgyz Association of Agricultural Advisory Services (KGFRAS) who visited each rural district (ayyl aimak), totaling 15 at the time, to actively enhance the capacity of local stakeholders. This included supporting local authorities in developing infrastructure for weather risk monitoring and impact assessment, contributing to a more resilient and informed risk management approach. This effort is part of WFP's broader strategy to scale up adaptation to environmental changes.

As part of this initiative, three working meetings were held at the Naryn District State Administration building, attended by the district head (akim), livestock and economic department specialists. The key focus of these meetings was to discuss the operational mechanisms of the insurance system in the livestock sector. A crucial outcome was the agreement to link the meso-level disaster risk financing scheme with social protection, to enable socially vulnerable households to receive support in response to weather-related shocks affecting rural communities and their livestock. The Regional

Department of Labor and Social Protection (RDLSP) provided a detailed list of socially vulnerable households owning livestock.

When insurance policies were triggered by lack of rainfall, this provided rural districts with financial resources for procuring feed to distribute to livestock owners that are registered in the social protection system. The comprehensive approach of the inclusive insurance project also supports farmers to adopt enhanced livestock and feed production practices.

Going forward, there are significant opportunities for scaling up. These include enhancing educational programs and leveraging digital technologies for risk monitoring and assessment. The climate risk insurance mechanism in Naryn district has the potential for expansion through awareness campaigns on social media, including the distribution of short educational videos.

**THE MESO-LEVEL DISASTER RISK FINANCING SCHEME IS LINKED WITH SOCIAL PROTECTION, TO ENABLE SOCIALLY VULNERABLE HOUSEHOLDS TO RECEIVE SUPPORT IN RESPONSE TO WEATHER-RELATED SHOCKS THAT AFFECT RURAL COMMUNITIES AND THEIR LIVESTOCK.**



# INTERVIEWS

## WFP Senegal Country Director Interview

**Pierre Lucas**

*WFP Representative  
and Country Director for Senegal*



Through the R4 Rural Resilience Initiative, WFP has led the implementation of agricultural insurance as one component of an integrated risk management approach, safeguarding smallholder farmers' investments against weather-related risks. This initiative has allowed farmers to receive compensation following extreme weather events, safeguarding their food security, ensuring they could meet their basic needs and strengthening their resilience.

WFP has been instrumental in building the capacity of local stakeholders, including the national insurance company, Compagnie Nationale d'Assurance Agricole du Sénégal (CNAAS), by fostering strategic partnerships with national and international institutions such as the International Research Institute for Climate and Society (IRI), Pula Advisors, and Sofrecom. These collaborations have enhanced CNAAS's capabilities in data collection, index design, monitoring, evaluation and digital payments. WFP also contributed to the creation of the Committee for the Development and Promotion of Index Insurance (CDPAI), fostering collaboration among research institutions, NGOs and government agencies to support the design and implementation of insurance programmes.

A major factor in the successful adoption of agricultural insurance has been WFP's premium graduation strategy, facilitating farmers' adoption of insurance. CNAAS's coverage of key agricultural value chains, the introduction of the innovative hybrid index covering both drought and yield loss, and the involvement of Economic Interest Groups (EIGs) in distribution have all significantly supported this effort.

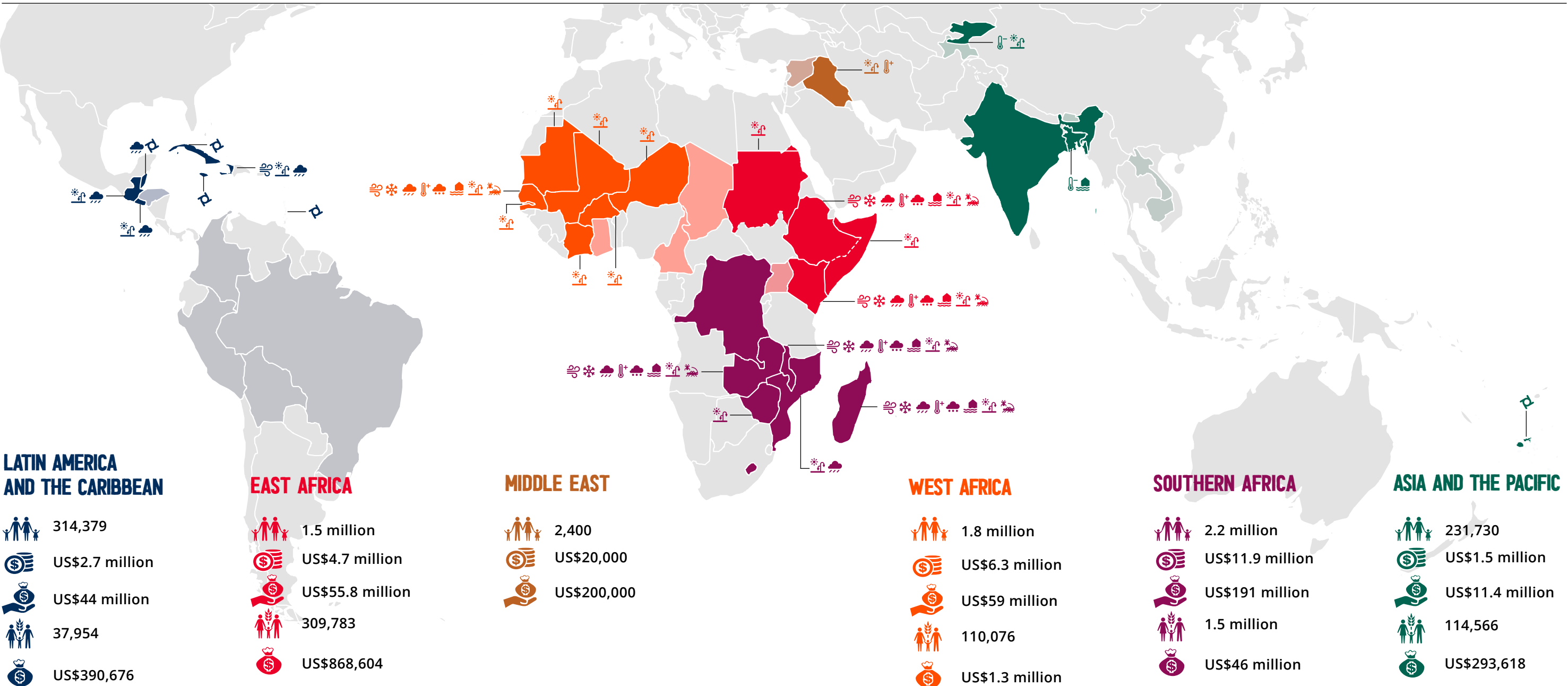
Furthermore, the Government subsidy, which covers 50 percent of the insurance premium, has made the insurance more accessible to farmers.

WFP's efforts have been transformative in advancing agricultural insurance in Senegal. Through extensive capacity building of the local index design team, continuous improvement of the indices and integration of insurance into a broader risk management framework—including savings, credit and climate services—insurance adoption has become more accessible and sustainable. Farmers' involvement from index design to evaluation has ensured the products are well-suited to their needs. The EIGs, primarily composed of women, have been crucial to the distribution process, leading awareness campaigns, underwriting and receiving commissions from CNAAS, which allows them to generate income, promotes women's empowerment and enhances their sustainability. CNAAS and its partners have been equally instrumental in promoting insurance by raising awareness, addressing key challenges and expanding coverage to underserved areas. These efforts collectively contribute to strengthening the agricultural insurance framework in Senegal and ensuring its long-term success.

**WFP'S EFFORTS HAVE BEEN  
TRANSFORMATIVE IN ADVANCING  
AGRICULTURAL INSURANCE IN SENEGAL.**



# OUR REACH AND SCALE IN 2024



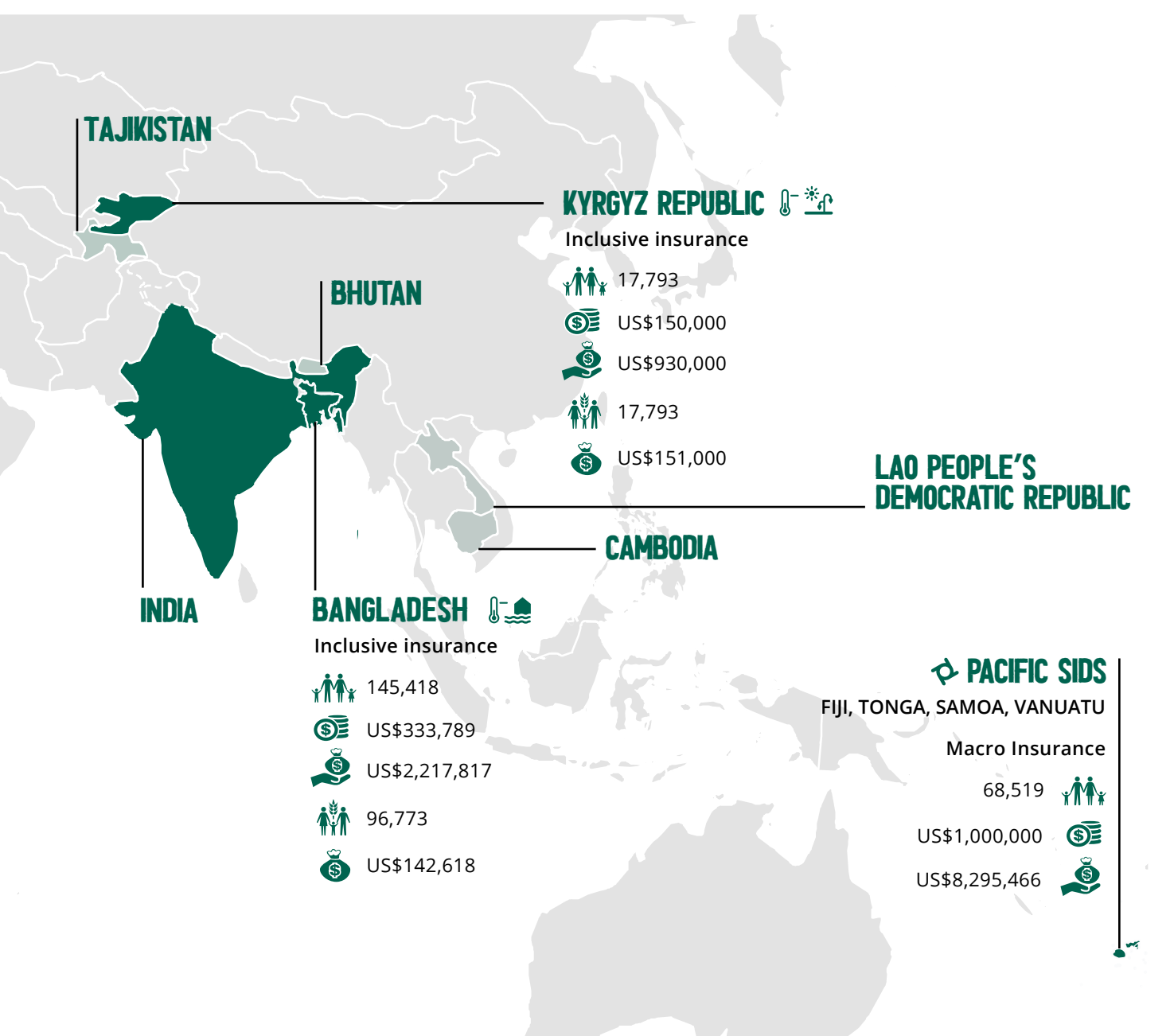
In 2024, WFP provided **US\$361 million** in financial protection to over **6 million people** through its disaster risk financing instruments across **37 countries** in Africa, Asia and the Pacific, the Middle East, Latin America and the Caribbean. In regions impacted by weather-related shocks, such as drought, floods and tropical cyclones, WFP assisted over **2 million people** through insurance payouts amounting to **US\$48.9 million**.

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The designations employed and the presentation of material in the maps do not imply the expression of any opinion whatsoever of WFP concerning the legal or constitutional status of any country, territory or sea area, or concerning the delimitation of frontiers.

## LEGEND

- Number of people covered by insurance
- Number of people benefiting from insurance payouts
- US\$ value of premiums
- US\$ value of payouts triggered and/or disbursed in 2024
- US\$ value of sum insured
- Current countries
- Expansion countries
- Pests and diseases
- Excess rainfall
- Cold spell
- Cyclone
- Flood
- Heatwave
- Violent wind
- Hail
- Drought
- Frost

# ASIA AND THE PACIFIC



## LEGEND

👤 Number of people covered by insurance	👤 Number of people benefiting from insurance payouts	🐛 Pests and diseases	☁️ Excess rainfall	🌡️ Cold spell
💵 US\$ value of premiums	💰 US\$ value of payouts triggered and/or disbursed in 2024	🌀 Cyclone	🏠 Flood	🌡️+ Heatwave
💰 US\$ value of sum insured	🟩 Current countries	🌪️ Violent wind	☁️ Hail	☀️ Drought
	🟨 Expansion countries	❄️ Frost		

# BANGLADESH



## WITH FINANCIAL SUPPORT FROM



European Civil Protection and Humanitarian Aid Operations (ECHO), Korean International Cooperation Agency (KOICA), Multi-purpose fund

## INCLUSIVE RISK FINANCING



**145,418** people covered with inclusive insurance



**32,315** households insured (57 percent women)



**US\$333,789** of insurance premium



**US\$2,217,817** of sum insured



**US\$142,618** of payouts distributed, benefiting 96,773 people

## DISASTER RISK FINANCING IN BANGLADESH

A key aspect of the WFP Bangladesh disaster risk financing strategy is the integration of inclusive insurance and financial inclusion tools tailored for smallholder farmers. These tools are strategically linked with WFP's Cash-Based Transfers (CBT) programmes and actively involve agricultural market support initiatives through farmer hubs. Notably, initiatives such as Anticipatory Actions (AA), Seasonal Livelihoods Planning (SLP) and small-scale infrastructure development focused on reducing disaster risks have been instrumental in enhancing community resilience by proactively addressing vulnerabilities within the broader framework. By intertwining insurance mechanisms with WFP's broader agenda, Bangladesh endeavors to protect its vulnerable communities by striking a delicate balance between insurance solutions and holistic strategies aimed at addressing loss and damage.

## 2024 PROGRESS

In 2024, the Climate Risk Insurance (CRI) project has effectively scaled up tenfold from the previous year to address the growing financial impacts of weather-related disasters. CRI has been integrated into the national social protection system supported by WFP, providing flood insurance coverage to safety net beneficiaries and enhancing the shock responsiveness of these programmes. WFP Bangladesh supports access to two CRI products, a Flood Index-based Insurance and Weather Index-based Insurance (WII). In 2024, these products were modified based on experiences from the previous year.

Under the flood insurance programme, 20,000 vulnerable households (90,000 people) across 36 unions in Kurigram district were insured, protecting their households' income losses arising from catastrophic floods during the 1 July - 30 September coverage window. Households contributed 10 percent of the premium. If triggered, each household will receive a payout based on the severity of the flooding in their specific location.

WFP also provided access to WII for 12,315 smallholder farming households (55,000 people) cultivating Aman and Boro rice. To scale up the insurance enrolment under WII, WFP has initiated a partnership with two MFIs, Rangpur Dinajpur Rural Service (RDRS) and Gono Unnayan Kendra (GUK), which started enrolling vulnerable households and small-scale rice producers in January and June in 2024. Farmers contributed 50 percent of the premium. Insured farmers have also received agrometeorological service through weekly voice SMS on mobile phones.

Two studies have been undertaken, including an analysis of the feasibility and scope for developing CRI products aligned with Anticipatory Action (AA) trigger points and a context analysis for developing insurance for cyclones, droughts and flash floods in the



# BANGLADESH

## COUNTRY CONTEXT

In 2024, Bangladesh grappled with multifaceted challenges. Bangladesh has been ranked the 1<sup>st</sup> most flood-exposed country in the world based on [risks assessments](#).

The country faced severe flooding in August 2024 due to heavy rainfall and water released from a dam in India, causing US\$1.2 billion in damage in agriculture, fisheries, livestock, houses, sanitation, roads and infrastructures. Around 5.8 million people were affected, with 502,501 displaced into evacuation shelters. The country was also devastated by Cyclone Remal which caused damage amounting to over US\$600 million and affecting 3.7 million people in 19 coastal districts. Both events intensified macroeconomic vulnerabilities and amplified socio-economic pressures. Additionally, Bangladesh faced political turbulence following the July Revolution, which led to over a thousand deaths and the collapse of the regime. While this upheaval has brought long-awaited peace and the restoration of rule of law, political instability persists, hindering vital advocacy efforts.

country. The team was also involved with the Ministry of Finance (MoF) in reviewing the Disaster Risk Financing (DRF) strategy paper and the country's initiative to access support from the Global Shield against Climate Risks.

GUK and RDRS conducted insurance participant meetings to sensitize communities, disseminate information and collect premiums from farmers. To amplify outreach, CRI audio visuals were broadcast on local TV channels, and leaflets and stickers were distributed to community members. Extensive awareness campaigns fostered a positive attitude toward insurance, including 638 awareness sessions, billboards, folk songs & street theatre and loudspeaker announcements across unions.

Payout events helped build trust by publicizing payouts and sensitizing participants on insurance benefits—a six-day staff orientation, training and progress review equipped field staff with essential skills. At the national level, technical trainings, a lesson-learning workshop and three policy dialogues fostered collaboration among stakeholders such as regulators, insurers and banks, while building the capacity of 300 professionals. Additionally, the project launched an academic course on climate risk insurance in partnership with the University of Dhaka, enhancing sectoral capacity and addressing the critical need for CRI human resources in the country.

## LESSONS LEARNED

- It is essential to incorporate a localized trigger mechanism using high-resolution commercial satellite data to enhance precision and create more impactful products while minimizing basis risk.
- The lack of a comprehensive CRI Policy guideline and Disaster risk financing (DRF) strategy from the Government hampers cohesive action, limiting engagement of insurers and the concerned ministries.
- Advocacy efforts with policymakers have been hindered by shifting political dynamics, necessitating more adaptive strategies.
- Vulnerable community expressed interest in CRI thanks to its effective protection of their livelihoods against disasters.

## 2024 KEY ACHIEVEMENTS



Scaled up CRI from nearly 18,000 people in 2023 to over 145,000 in 2024.



Conducted 638 awareness sessions and strengthened the capacity of 300 stakeholders on CRI.



Integrated CRI into the national social protection system through coverage for Government-led safety net beneficiaries.



Launched a CRI course with the University of Dhaka.

# CAMBODIA



## DISASTER RISK FINANCING IN CAMBODIA

Cambodia has adopted a comprehensive approach to prevent and mitigate the impact of shocks and stressors, with a focus on disaster risk management and social protection. One milestone was the adoption of the Shock-Responsive Social Protection (SRSP) Framework in December 2023, developed in collaboration with WFP. Since Cambodia launched its first national Disaster Risk Financing (DRF) Strategy in 2024, WFP Cambodia is now planning its first steps of macro insurance programming, exploring government priorities and interest in different DRF instruments, particularly to finance shock responsive social protection. Moreover, Cambodia is a member of the Southeast Asia Disaster Risk Insurance Facility (SEADRIF) and there are considerations to sign a SEADRIF policy in the future. WFP has started consultations with relevant government partners and would like to facilitate the decision process around SEADRIF and other potential DRF instruments to take forward.

## 2024 PROGRESS

In August, WFP together with the World Bank organized an orientation session on Disaster Risk Financing. The 1.5-day event in Phnom Penh was attended by over 40 government officials as well as selected development partners. It aimed to familiarise participants with disaster risk financing principles, instruments, good practices, and their role in strengthening Cambodia's financial resilience and in promoting the well-being of people exposed to and vulnerable to the impact of weather-related events. Participants explored the current disaster risk financing landscape in Cambodia and opportunities for integration with people-centered approaches, including social protection as per the national shock-responsive social protection framework. Through presentations, discussions and interactive activities, the orientation event promoted the exchange of knowledge and experiences among stakeholders, which was received with much appreciation and interest by the attendees.

Cambodia is characterized by low awareness and slow growth of risk financing mechanisms, including insurance coverage. Awareness raising and knowledge dissemination are therefore crucial to establish a shared understanding of opportunities and viable options of disaster risk financing, including macro insurance. While the Government prioritizes private sector led approaches for any new insurance initiative, the private sector in turn is concerned about the initial investment size in a comparatively small insurance market. In addition, there is limited accessibility of forecasting data and a lack of historical data in the country. While the launch of the first national DRF strategy in 2024 was a significant milestone, some areas within the government are still in the process of fully embracing it, and responsibilities are being redefined. For example, the government counterpart for SEADRIF

# CAMBODIA

## COUNTRY CONTEXT

Cambodia has achieved significant economic growth, poverty reduction and improvements in human development and food security, attaining lower-middle-income status in 2016. During the COVID-19 pandemic, the government expanded social assistance to vulnerable households, yet poverty remains at 17.8 percent. With a population of 17.3 million, Cambodia also faces challenges from weather-related disasters, which impacts agriculture and food security, further exacerbating poverty. The country ranks 65th on the 2023 World Risk Index and frequently experiences disasters like floods and droughts. For instance, flash floods in 2024 affected 45,335 households.

has changed from the Non-Banking Financial Service Authority to the Insurance Regulator. WFP has started to establish relationships with both agencies and will continue to expand them in 2025. Similarly, engagement between social protection actors and disaster risk financing stakeholders has been limited so far. Therefore, WFP is committed to facilitate interministerial exchange and aims to promote inclusion of both parties in relevant processes. The World Bank, which also supported the Government in drafting the DRF Strategy, is a crucial partner for WFP in the DRF agenda in Cambodia. Following the successful joint DRF orientation session in 2024, WFP is exploring further collaboration with the World Bank and has participated in consultations for the DRF Action Plan for Social Protection that the World Bank is drafting.

In 2025, WFP Cambodia will continue to explore the Government's interest on which DRF instruments to take forward, in particular around the application of DRF instruments for SRSP purposes, as outlined in the national DRF Strategy (2023-2028). WFP is planning a feasibility study on contingency budgets and pooled funds that has been requested by the Government. WFP will enhance its engagement with the Insurance Regulator to facilitate the decision-making process for selecting an appropriate DRF instrument. This will equip key government entities, including the Ministry of Economy and Finance (MEF), Non-Banking Financial Services Authority (NBFSa), Insurance Regulator, and the National Social Protection Council (NSPC), with the necessary knowledge and insights to make informed decisions. A planned learning exchange with Laos will be leveraged to tap into Lao's experience with SEADRIF. Moreover, WFP is committed to fostering knowledge and awareness of DRF among public officials responsible for managing and administering DRF programmes in their respective line ministries. A planned knowledge gap assessment will identify needs, and tailored trainings will be offered to respective government partners based on the findings. Finally, advances in Cambodia's DRF agenda will be closely linked with the operationalization of the national Shock Responsive Social Protection Framework, developed with WFP's technical assistance, and the upcoming Anticipatory Action Plan, which will include a pilot of an anticipatory cash transfer in Pursat Province.

## 2024 KEY ACHIEVEMENTS



37 (13 female) government representatives and public sector officials participated in a Disaster Risk Financing orientation session, jointly provided by WFP and WB.



WFP jointly with GS-NSPC finalized the SRSP Framework Operational Plan, which proposes priority actions to strengthen the Cambodian social protection system. Sustainable financing of Social Protection measures is one key building block.



# KYRGYZ REPUBLIC



## INCLUSIVE RISK FINANCING



Swiss Agency for  
Development and  
Cooperation (SDC)

## INCLUSIVE INSURANCE AND ICRM



17,793 people  
covered with  
inclusive insurance



3,559 households  
insured  
(60 percent women)



US\$150,000 of  
insurance premium



US\$930,000 of sum  
insured



US\$151,000 of  
payouts  
distributed,  
benefiting  
17,793 people

## DISASTER RISK FINANCING IN KYRGYZ REPUBLIC

WFP Kyrgyz Republic has launched two innovative climate risk insurance (CRI) programmes, positioning itself as a leader in Central Asia's Disaster Risk Financing space. In 2023, it piloted a meso-level CRI approach across three districts of Naryn oblast. The programme expanded in 2024 to include four districts in Naryn and one in Suzak (southern Kyrgyzstan), while also exploring pathways to long-term sustainability with government partners, private sector and development agencies. The Naryn pilot adopted a meso-level approach, with sub-national government authorities or local aggregators acting as policyholders to provide financial support for vulnerable households, protecting their livestock against extreme drought. Four district administrations were selected as policyholders, supported by the extension service provider Kyrgyzstan Agricultural Services Forum (KGFRAS), which facilitated engagement with beneficiaries and helped establish the pilot environment. The CRI product is a weather index-based that covers feedstock shortages due to extreme droughts and extended winters. The second pilot in Suzak district adopts a microinsurance approach and covers risks to winter wheat production for smallholder farmers. The policy was issued to Rural Advisory Service of Jalal-Abad (RAS JA), a local aggregator and extension service provider, covering 835 households. The CRI product was developed collaboratively by WFP and the global technical service provider Blue Marble. It was offered by the local insurer APlus in 2023 and by ATN-Polis in 2024-2025, with implementation support from KGFRAS and local authorities.

## 2024 PROGRESS

### Naryn Pilot (Livestock)

Under the livestock product, seasonal monitoring from June to September 2024 identified drought conditions in Naryn, Jumgal, Ak-Tala and At-Bashy districts, triggering \$151,000 in insurance payouts. As a result, the district administrations implemented the pre-approved response plans, which outline prioritized interventions such as cash assistance, animal feed provision or infrastructure improvements, tailored to the severity of the drought impacts.

In 2024, the team also successfully secured co-financing from the InsuResilience Solutions Fund (ISF) to support the Naryn scheme in 2025. This collaboration not only strengthens the financial sustainability of the pilot but also introduces forecast-based insurance, an innovative approach that utilizes weather forecasts to trigger payouts proactively. This mechanism enhances the scheme's responsiveness by enabling early interventions to mitigate the impacts of weather-related risks, particularly drought, on vulnerable communities and their livelihoods.

# KYRGYZ REPUBLIC

## COUNTRY CONTEXT

The Kyrgyz Republic faces high exposure to a range of natural hazards, including geological, hydro-meteorological and biological risks. In 2024, the country experienced a record-breaking 300 mudflows—the highest in 30 years—resulting in significant human and financial losses, including 22 casualties and the flooding of 3,750 homes. The situation has been further aggravated by a persistent lack of rainfall, which has intensified drought conditions, reduced water availability, and impacted agricultural productivity. Earthquakes remain the most devastating hazard, with Kyrgyz Republic registering an average of 300 seismic events annually. The country is the most seismically exposed in Central Asia, with major earthquakes occurring every five to ten years. In recent years, seismic disasters have caused economic losses of US\$163 million, affecting a large portion of the population, 66 percent of whom live in earthquake-prone housing. Kyrgyz Republic ranks 52nd on the Global Climate Risk Index and all regions are classified as medium to high risk on the INFORM Global Risk Index. The increasing frequency of extreme weather events, combined with prolonged dry periods and weather-related disasters, highlights the urgent need for enhanced disaster risk reduction and adaptive practices.

## Suzak Pilot (Crop Production)

Unlike Naryn, the Suzak pilot introduces significant changes by directly insuring winter wheat farmers. One of the key elements of this pilot is the adoption of a micro-level insurance approach, where farmers are individually insured, providing them with tailored coverage based on their specific needs. The coverage covers approximately 900 farmers, who cultivate between 1,000 and 1,500 hectares of winter wheat. The scheme is set to continue through July 2025, offering ongoing support to these farmers. The local entity RAS JA will act as the policy aggregator, holding the general policy for the scheme. This centralization helps streamline the insurance process and ensures proper coordination among participants.

## OUTLOOK FOR 2025

One of the primary goals of 2025 will be the implementation of the forecast-based insurance programme in the Naryn region, which will provide proactive support for vulnerable communities. Additionally, the evaluation and potential expansion of the pilot in Suzak district will be undertaken to assess its effectiveness and broaden its reach. Plans also include exploring the feasibility and development of an insurance product to protect against mudflow damage. Another priority is the creation of an insurance product designed for integration into the agro-credit portfolios of microfinance institutions. Lastly, a revision of the National Budget Code regulations is planned to allow public entities to directly absorb insurance payouts, streamlining the process for impacted communities.

## 2024 KEY ACHIEVEMENTS

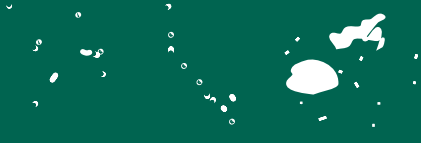


US\$151,000 triggered in Naryn to four local administrations.



Implementation of context-specific response plans, detailing interventions such as cash distribution, animal feed provision and rural infrastructure improvements to address drought impacts effectively.

# PACIFIC SIDS



## WITH FINANCIAL SUPPORT FROM



Global Shield  
Financing Facility

## MACRO-LEVEL RISK FINANCING



68,519 people  
covered with  
inclusive insurance



US\$1,000,000 of  
insurance premium



US\$8,295,466 of  
sum insured

## DISASTER RISK FINANCING IN PACIFIC SMALL ISLANDS DEVELOPING STATES (PACIFIC SIDS)

To strategically address weather and disaster risks, Pacific SIDS are using a variety of financial instruments and funding arrangements that are being offered by institutions such as the World Bank, International Monetary Fund (IMF), UN Capital Development Fund (UNCDF), Asian Development Bank (ADB), UNICEF as well as WFP. Pacific SIDS are also very reliant on bilateral funding during emergencies as well as capacity support by the armed forces of Australia and New Zealand for supply chain and emergency supplies. In the Pacific, WFP operates by supporting governments to enhance their capacity rather than direct implementation and avoiding parallel initiatives. WFP has been at the forefront of advancing Disaster Risk Financing (DRF) and macro insurance mechanisms in the region, collaborating with governments, regional bodies and development partners to enhance financial preparedness and resilience to weather-induced disasters. These initiatives aim to mitigate the socio-economic impacts of disasters on vulnerable populations, ensure timely responses, and bolster the region's capacity to adapt to future disaster risks. A particular focus has been on supporting governments to combat the effect of tropical cyclones in 2024, with WFP supporting four Pacific Governments with their tropical cyclone macro insurance policies, and one Pacific Government with anticipatory action.

## 2024 PROGRESS

In 2024, WFP has supported the governments of Tonga, Samoa, Vanuatu and Fiji by providing premium subsidies for macro insurance, enhancing their coverage against tropical cyclones through the Pacific Catastrophe Risk Insurance Company (PCRIC). This support increased financial protection by US\$8,295,466 million for the 2024/25 cyclone season, helping to protect an additional 68,519 people from the impacts of category three or higher tropical cyclones. WFP has played a pivotal role in supporting these governments access and operationalize sovereign parametric insurance through partnerships with the regional risk pool. These policies provide pre-agreed payouts triggered by predefined hazard thresholds, enabling governments to access immediate funding for response and recovery efforts.

WFP's DRF initiatives extend beyond macro insurance to broader financial preparedness and risk management. Key activities include capacity-building workshops, technical assistance and policy development to integrate DRF into national disaster management strategies. WFP has facilitated stakeholder consultations to identify priority needs, develop contingency plans and establish monitoring mechanisms for DRF interventions. For example, in Tonga, WFP has supported the Government in drafting detailed disbursement plans



# PACIFIC SIDS

## COUNTRY CONTEXT

The Pacific SIDS grapple with high disaster risk, compounded by unique challenges such as geographical dispersion and market access constraints. La Niña and El Niño have a large impact on the Pacific, changing the frequency and intensity of tropical cyclones and the prevalence of drought in the northern coral atolls. The aftermath of COVID-19 and a global food crisis heightened existing development challenges, threatening the achievement of Sustainable Development Goals (SDGs) by 2030. Rising disparities, weather-related shocks and inadequate public services will also worsen, leading to an increased dependence on nutritionally deficient imported foods.



WFP response in Vanuatu.  
WFP/Pacific MCO

to ensure that insurance payouts are effectively allocated to priority interventions. These include cash-based transfers to vulnerable populations, food distribution and logistical support for emergency response.

Moreover, in Fiji, WFP has collaborated with the Ministry of Women, Children and Poverty Alleviation to pilot anticipatory action frameworks that leverage DRF instruments to deliver cash top-ups through existing social protection programmes. This approach has demonstrated how DRF can enhance adaptive social protection, enabling timely and targeted assistance to vulnerable households ahead of predicted disasters.

Through its DRF and macro-insurance initiatives, WFP has empowered Pacific governments to strengthen their financial resilience and enhance their ability to respond effectively to disasters. These efforts not only reduce the time needed to mobilize resources but also ensure that the most vulnerable communities are prioritized in disaster response.

The Fiji AA Framework broadly resembles other global AA initiatives—with pre-committed finance being released to implement a specific action plan based on pre-agreed forecast triggers (in this case, cash transfers to people combined with community early warning messages ahead of a tropical cyclone event). However, the Fiji AA Framework also represents a major milestone in the integration of AA and social protection. Through close collaboration with the Fijian Government and other relevant stakeholders, WFP has developed a first-of-its-kind system where 100 percent of WFP's anticipatory cash assistance will be channeled through the country's existing social protection infrastructure.

## 2024 KEY ACHIEVEMENTS



Four premium top-up contracts signed with Tonga, Fiji, Samoa and Vanuatu to protect against tropical cyclones.



Joint mission with WFP, PCRIC, World Bank and Willis Tower Watson to develop tropical cyclone disbursement plan and the new drought policy.



Supported PCRIC, together with other partners, to organize a first of its kind DRF workshop in Fiji in Feb 2024, bringing together MoF and National Disaster Management representatives from 12 Pacific Island States.



Completed mVAM study in Kiribati on food security for 2024 that monitors the food security issues and gaps faced by the Kiribati population on a yearly basis.



# STORIES FROM THE FIELD

## Braving the changing weather in Kyrgyz Republic: Aijan's struggle to protect her livelihood

In the remote Ak-Talaa district of Kyrgyz Republic, life has always revolved around the land and livestock. For Aijan Talantbek, 35, and her family, raising cattle is more than just a way to make a living—it is their only means of survival.

"We raise livestock to provide for our family," Aijan explains. "When we need to buy something like wheat or flour, we sell our cattle. That's how we live."

However, unpredictable weather patterns are making this way of life increasingly difficult. Winters in Ak-Talaa are long, stretching for six months, and livestock must be kept in the village during this time. In previous years, Aijan's family could rely on abundant harvests of hay and barley to feed their animals. But in 2023, an unusually dry summer left pastures barren and reduced their fodder supply.

"We used to mow hay up to three times," Aijan recalls. "Now, we can barely manage one or two harvests, and sometimes just one. Because of the dry conditions, we only produced 180 hay bales instead of 400."

With less food for their animals, their cows, sheep and goats lost weight, reducing their value in the market and "if they don't survive, we face even bigger losses," she says.



**INSURANCE IS GOOD. WE WOULD HAVE SPENT MONEY ON BARLEY, BUT INSTEAD, IT WAS PROVIDED, AND IT HELPED**

*Aijan Talantbek, beneficiary of the climate risk insurance programme in Kyrgyz Republic.*

For families like Aijan's, the harsh conditions were devastating, leaving them with little fodder and few resources to survive the winter. Fortunately, through the Weather Index-Based Insurance Pilot Project, WFP, with support from the Government of Switzerland, provided a strategic intervention—barley distribution.

Aijan's household was among the 792 families who received 26.3 metric tons of barley to help sustain their livestock. "Everybody was happy with the barley," she says. "Even if it wasn't a huge amount, everyone rushed to get it."

The insurance payout, triggered by extreme weather, was critical in bridging the fodder gap during the winter months. "Insurance is good," Aijan reflects. "We would have spent money on barley, but instead, it was provided, and it helped."

The shifting seasons in Kyrgyzstan are disrupting traditional farming cycles, and rural families are paying the price. The combination of shorter springs, drier summers, and unpredictable snowfall is threatening both livelihoods and food security.

"We used to have heavy snowfalls," Aijan remembers. "When I was a child, the snowbanks were as tall as we were. The rivers froze, and we used to go sledding. But now, the rivers are dry, and the water doesn't freeze anymore."

These shifting conditions directly impact livestock farmers, making it harder to maintain healthy animals and earn a stable income.

"If we had more hay, we could feed our cattle more and get more milk," she explains. "But when there

isn't enough, we have to buy hay at higher prices, using the little money we get from selling cattle."

Some wealthier families are able to buy large amounts of hay early and sell it for higher prices during the winter, making it even harder for low-income families like Aijan's to afford what they need.

The WFP weather insurance pilot is helping farming families cope with unexpected conditions that threaten their food security and income. By preparing in advance and stocking essential feed, rural communities can avoid catastrophic losses and improve their ability to manage difficult seasons.

For Aijan, this support came just in time, allowing her to keep her livestock alive and maintain some stability for her children. Still, she knows that challenges remain. "We received fodder for one week," she says. "It would be good if we received more."

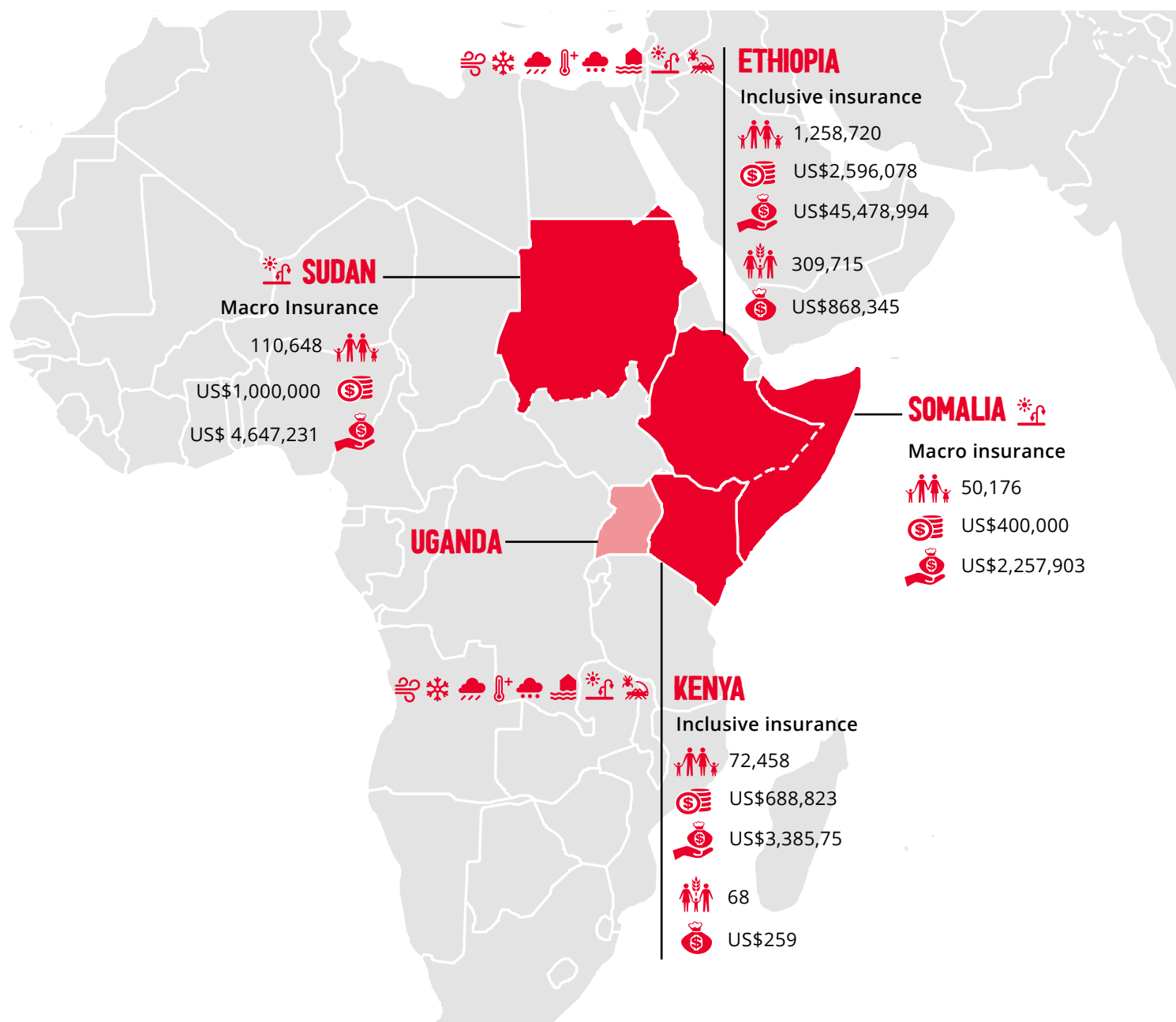
As harsh weather patterns continue, targeted interventions like index-based insurance and early response mechanisms will be essential in helping families like Aijan's adapt to their new reality.

With continued investment in practical solutions, rural women like Aijan will not only withstand the shifting seasons but build a future where their families can thrive.





# EAST AFRICA



## LEGEND



Number of people covered by insurance



Number of people benefiting from insurance payouts



US\$ value of premiums



US\$ value of payouts triggered and/or disbursed in 2024



US\$ value of sum insured



Current countries



Expansion countries



Pests and diseases



Cyclone



Violent wind



Frost



Excess rainfall



Flood



Hail



Cold spell



Heatwave



Drought

# ETHIOPIA



## WITH FINANCIAL SUPPORT FROM



Kreditanstalt fuer  
Wiederaufbau  
(KfW) and Zoetis  
Foundation

## DISASTER RISK FINANCING IN ETHIOPIA

WFP Ethiopia fosters resilient local food systems by transitioning from aid to self-reliance. Through two key strategies, it supports smallholder farmers with improved inputs, financial services, access to markets and irrigation. Cooperating with both the public and private sector, WFP integrates insurance schemes with the government-led Input Voucher Scheme (IVS) to ensure scalability and sustainability. The programmes enhance food, nutrition and income security by reducing weather-related risks, transferring the remaining risks to insurers, promoting savings, and encouraging financial education and livelihood diversification.

These efforts empower smallholders, strengthening their long-term resilience and supporting sustainable livelihoods. Integrated Risk Management programmes are implemented within the framework of WFP Ethiopia's Country Strategic Plan (CSP) 2020-2025, as part of the provision of nutrition-sensitive social protection, climate risk management services and capacity-strengthening support for smallholder farmers, pastoralists and agro-pastoralists, who are the most vulnerable to weather-related shocks.

## 2024 PROGRESS

In 2024, the KfW-funded R4 - Rural Resilience Initiative, in a public-private partnership with the Government of Ethiopia's Input Voucher System (IVS), insured 247,444 farmers in the Amhara region, protecting crops worth up to US\$2.6 million. Due to poor rainfall and crop diseases, a record US\$868,345 insurance payout was made to 61,943 affected farmers. The R4 programme's collaboration with government and private stakeholders enhanced scalability, ensuring farmers accessed fertilizers and improved seeds at fair prices while fostering interest in risk transfer mechanisms like insurance. Bundled insurance under Belg and Meher seasons provided farmers with vital financial protection. Recognizing the need for rural financial access, the Government, specifically the Ministry of Agriculture, is establishing a dedicated unit to oversee Access to Rural Finance, including agricultural insurance. As part of the challenges, insecurity in Amhara delayed activities and restricted field staff mobility.

Additionally, through the Zoetis-funded grant and leveraging the premium subsidies from the World Bank's Horn of Africa (HoA) DRIVE project, WFP supported training and awareness creation that facilitated the enrolment of 4,300 pastoralists into a livestock insurance programme, safeguarding US\$1.85 million in livestock. Pastoralists contributed 30 percent of insurance premiums while 70 percent was subsidized by the World Bank via ZEP-RE. Pastoralists contributed 30 percent of insurance premiums while 70 percent was subsidized by the World Bank via ZEP-RE.

# ETHIOPIA

## INCLUSIVE RISK FINANCING



**1,258,720 people**  
covered with  
inclusive insurance



**251,744 households**  
insured  
(22 percent  
women)



**US\$2,596,078** of  
insurance premium



**US\$45,478,994** of  
sum insured

## OUTLOOK FOR 2025

Integrated resilience and livelihoods interventions will reach about 16,710 households in five R4 project woredas in the Amhara region, with continued support for postharvest loss management and market linkages for 8,500 households. Additionally, resources will be mobilized to respond to the needs of vulnerable communities, re-initiate North Gondar Livelihoods recovery support, and design a multi-year integrated programme based on R4 evaluation results.

## 2024 KEY ACHIEVEMENTS



WFP insured 247,444 farmers and 4,300 pastoralists through climate risk management, integrating the Input Voucher Scheme and HoA DRIVE with awareness creation, savings groups, and training for resilience.



Smallholder farmers and pastoralists organized by WFP accessed US\$990,256 in loans to enhance their livelihoods and resilience.



120 movable solar pumps distributed to 1,546 smallholder farmers (420 are women) organized in 120 user associations, enabled irrigating of 615 hectares for wheat and onion, backed by climate-smart agricultural training.



61,128 smallholders formed 2,320 Village Economic and Social Associations (VESA) groups, which were trained and successfully mobilized US\$243,319 in savings.



Yeshaw Tamrat, harvesting wheat from his irrigated land supported by WFP's R4 Rural Resilience Initiative project in Amhara region of Ethiopia.

WFP/Michael Tewelde



# ETHIOPIA

## COUNTRY CONTEXT

In 2024, Ethiopia's economy exhibited resilience, with real GDP growth reaching 8.1 percent in the fiscal year, driven by robust performance in the services sector. However, inflation remained a significant concern, with the annual rate at 16.9 percent in November 2024. The Government's decision to float the Ethiopian birr in July 2024 led to a 30 percent devaluation against the US dollar, aiming to stabilize the economy and attract international financing. As of December 2024, the Ethiopian currency devaluation against US dollar compared to July 2024 was at 120 percent. Despite these economic adjustments, Ethiopia continued to face challenges from internal conflicts and weather-related shocks including unpredictable rainfall patterns, droughts and floods that exacerbated food insecurity and impacted agricultural productivity.



## RISK REDUCTION

In 2024, the project reduced weather-related disaster risks through key interventions. Sixteen local government nurseries received training, seeds and tools, that produced over four million seedlings and planted 3.93 million on 395 hectares to restore degraded lands in 210 watersheds. Capacity-building efforts strengthened 210 integrated watershed committees (IWSCs), which brought women to leadership and raised awareness on ecosystem conservation. A total of 2,101 IWS community members, VESA facilitators, and development agents, in addition to 443 woreda-level experts, were trained on natural resource management, climate-smart agriculture (CSA), and environmental safeguards. Additionally, 1,546 households, including 338 female-headed ones, gained access to small-scale irrigation using 120 solar-powered, portable water pumps, enabling cultivation of 615 hectares with wheat and onions. Implementation encountered challenges due to armed conflict in the region limiting access for technical support to 44 distant watersheds and restricted internet connectivity affecting communication and reporting.



## RISK TRANSFER

In 2024, the KFW-funded R4 Rural Resilience Initiative, in collaboration with public and private sectors and Ethiopia's IVS insured 64,582 farming households for the Belg season and 182,862 households for the Meher season, in Amhara, protecting US\$2.6 million worth of crops. Additionally, the private sector partners leveraged the proof that the insurance works, and the evidence generated, insuring an additional 200,00 households in Amhara. Overall, the insurance offering under the IVS scaled within the Amhara, Tigray, and Oromia regions, reaching 859,444 farming households.

WFP's new approach of linking insurance with the IVS highlights the effectiveness of a robust public-private partnership (PPP) in fostering innovation, scalability, and sustainability in insurance. Together with Pula Advisors and the Agriculture Transformation Institute (ATI), this crop insurance represents Ethiopia's largest crop insurance initiative. Building on past pilot programmes, this effort aims to reach seven million IVS farmers by 2030, to safeguard their investments, and inspire increased quality input usage. The role of WFP as technical facilitator has allowed for a market systems approach to insurance, utilizing strong PPPs to tackle market failures that hinder the scalability of agricultural

# ETHIOPIA

## INTEGRATED RISK MANAGEMENT IN ETHIOPIA

WFP's Integrated Climate Risk Management programmes enable communities to build resilience and improve their food and nutrition security in the face of increasingly frequent weather-related disasters and shocks. In Ethiopia, WFP supports smallholder farmers to access financial services, including micro/ meso-insurance, improved agricultural inputs, postharvest management technologies, access markets and adopt irrigation schemes. In Amhara, WFP Ethiopia supports farmers through the R4 Rural Resilience Initiative, facilitating farmers' access to insurance, micro-credit and savings, and training in income-generating activities. In addition, R4 farmers work on activities such as soil and water conservation, land restoration and reforestation that reduce the risk of droughts and floods for their communities, as well as enable them to diversify their livelihoods away from climate-sensitive agriculture.

insurance programmes. This market-driven approach aims to enhance both the demand for and supply of insurance sustainably. Integrating insurance with fertilizer effectively removed all complexities of insurance distribution and associated costs. Farmers received insurance automatically when they accessed the fertilizer, streamlining the process.



## RISK RETENTION AND PRUDENT RISK TAKING



In the Amhara region, the project advanced financial inclusion by organizing 53,435 R4 beneficiaries into 2,007 VESA Groups and equipping 3,362 participants with financial literacy, business skills, and VESA management training. By December 2024, these groups had accumulated approximately US\$131,500 (ETB 17.28 million) in savings and US\$174,200 (ETB 2.29 million) in social funds. Meanwhile, in the Somali region, 7,693 households established 313 VSLAs, collectively saving approximately US\$98,382 (ETB 12.93 million), with 95 percent reinvested as loans to support diverse income-generating activities. A Credit Guarantee Fund (CGF) of US\$734,000 (ETB 96.47 million) enabled access to US\$1,498,481 (ETB 196.94 million) in loans for 11,889 beneficiaries through six RuSACCO Unions. To enhance capacity, 7,735 VSLA members received financial literacy and business training, while financial institutions benefited from business development support and the installation of an advanced savings and credit management system. Despite challenges posed by regional conflicts, strong local collaboration ensured successful project execution, further strengthened by a tripartite MoU securing the sustainable use of CGF funds.



Yohanes Dibu Negash, 35, is a beneficiary of the crop insurance programme and a member of the Village Economic and Social Association(VESA) in Ethiopia.

WFP/Michael Tewelde

# KENYA



## WITH FINANCIAL SUPPORT FROM



Federal Ministry  
for Economic  
Cooperation and  
Development  
(BMZ) and Zoetis  
Foundation

## COUNTRY CONTEXT

Kenya has experienced an overall deceleration in economic growth that can be attributed to several factors, including consistently high fuel prices that increased production costs and unrest stemming from anti-finance bill protests in June 2024. In 2024, devastating floods hit Kenya during the March-April-May (MAM) long rains season, impacting vulnerable populations. The National Disaster Operations Centre (NDOC) reported that at least 85 percent of Kenyan counties were impacted by flooding, displacing approximately 330,000 individuals and leaving 250,000 children out of school. The floods destroyed crucial agricultural crops and infrastructure, leading to an increase in food insecurity and malnutrition. Despite the efforts from various humanitarian agencies, the needs of vulnerable communities remained unmet.

## DISASTER RISK FINANCING IN KENYA

WFP Kenya is implementing inclusive insurance under R4, providing financial protection from crop losses, and livestock asset protection under a Zoetis Foundation-funded project, also known as “Ufugaji Bora.” R4 aims to protect and promote food and income security of vulnerable smallholder farmers in south-eastern counties by adopting an integrated risk management approach that promotes risk reduction activities via improved agricultural practices, coupled with insurance coverage (risk transfer), prudent risk-taking and risk retention through establishment of Village Savings and Loans Associations (VSLAs). The R4 programme helps smallholder farmers access an Area Yield Index Insurance (AYII) product which triggers payouts based on a pre-set benchmark calibrated using historical crop yield data. The AYII product covers the following perils: windstorm, frost, excessive rainfall, heatwave, hail, flood, drought, pest and diseases. The R4 programme in Kenya is implemented in the semi-arid Counties of Kitui and Makueni which integrates the South-eastern Marginal Agricultural Livelihood Clusters. Notably, the short rains season (from October to December) accounts for about 70 percent of annual production of the main crops: green grams, cowpeas, sorghum and millet, being strategic to maintain food and nutrition security of communities in this area. In addition, WFP Kenya is enhancing pastoralists’ resilience and improving livelihoods through supporting the implementation of Ufugaji Bora, an innovative, commercially sustainable model for the delivery of livestock insurance, integrated with a package of financial and veterinary services to rural pastoralists in Kenya.

## 2024 PROGRESS

The R4 initiative in Kitui and Makueni has demonstrated significant accomplishments in promoting insurance awareness and enhancing financial literacy among group members. The initiative has improved premium collection processes at the group level, leading to better overall efficiency. Furthermore, targeted training sessions in financial literacy and crop insurance have strengthened the resilience of Village Savings and Loan Associations (VSLAs), while refresher training for Village Agents has equipped them to help farmers effectively manage their finances and understand insurance risk transfer conditions. As part of the savings component, 19,957 participants (90 percent women) engaged in VSLA, with a total savings of US\$1,170,237 and total loans accessed of US\$1,292,432.

Despite these advancements, challenges persist in the uptake of crop insurance. Farmers’ mistrust due to perceived issues with crop cuts has negatively impacted their willingness to engage with insurance products. Poor Crop Cut Experiment (CCEs) procedures have eroded trust among

# KENYA

## INCLUSIVE RISK FINANCING



**72,458 people**  
covered with  
inclusive insurance



**18,115 households**  
insured  
(80 percent  
women)



**US\$688,823 of**  
insurance premium



**US\$3,385,751 of**  
sum insured



**US\$259 of payouts**  
distributed,  
benefiting  
68 people

farmers in Makueni County, indicating a pressing need to address community concerns.

On livestock insurance, a total of 10,235 households purchased the Index-Based Livestock Insurance (IBLI) policy in Isiolo and Garissa counties under the Ufugaji Bora programme. Additionally, the programme had 60 village agents trained and certified as field insurance agents, 200 VSLAs trained on insurance and financial services such as savings, credit and record keeping. As a result, the VSLAs had an accumulative savings of US\$340,000 for Isiolo and Garissa. Lastly with partnership with the local government and department of veterinary services, WFP helped facilitate the vaccination of 222,688 animals, which was crucial due outbreak of diseases (Rift valley fever) especially after the April 2024 floods which resulted to outbreak of pests and diseases.

## OUTLOOK FOR 2025

In 2024, the Country Office plans to redesign the R4 programme to integrate support for smallholders to access agricultural markets and expand crop insurance to cover rice in Tana River and Garissa Counties. Challenges will also be addressed in the Livestock programme and its independence from government support will be further explored. The plan also includes expanding VSLAs, enhancing capacity building for Village Agents, promoting digital financial services, and increasing financial literacy among pastoralist communities and smallholder farmers. Overall, these initiatives focus on sustainability and the expansion of agricultural support systems to boost resilience in targeted regions.

## 2024 KEY ACHIEVEMENTS



Trained 60 Village Agents (VAs) and 10 Livestock Market Association (LMA) representatives with essential skills for effective insurance policy sales. The highest-performing VA sold policies to 366 pastoralists, demonstrating the potential for localized agents to drive uptake.



Over 10,235 people accessed climate insurance information on livestock in Garissa and Isiolo through radio talk shows.



600 VSLA Groups supported in Kitui and Makueni and an additional 200 groups were established for livestock insurance in Garissa and Isiolo.



Two new partnerships were established with Private Sector Partners- Zep Re and ACRE Africa for livestock and crop insurance respectively.



# SOMALIA



## WITH FINANCIAL SUPPORT FROM



Global Affairs  
Canada (GAC)

## MACRO-LEVEL RISK FINANCING



50,176 people  
covered with  
macro insurance



US\$400,000 of  
insurance premium



US\$2,257,903 of  
sum insured

## DISASTER RISK FINANCING IN SOMALIA

In Somalia, WFP provides support to vulnerable communities and the Government in mitigating and managing weather-related risks and reducing vulnerabilities using disaster risk financing tools, such as national-level macro insurance and anticipatory action. Macro insurance products finance early response actions when a catastrophic extreme weather triggers a payout, which is a cost-effective approach compared to responding after the onset of a crisis. Likewise anticipatory action allows support to reach communities before forecasted weather hazards. Additionally, WFP Somalia has leveraged the Baxnaano national social protection programme to facilitate anticipatory action, bolstering national systems and bridging the gap between humanitarian and development response.

## 2024 PROGRESS

A milestone was achieved at the Africa Risk View (ARV) customization workshop in Nairobi (December 9-13, 2024), where the model was adapted to Somalia's climatic and socio-economic conditions, improving its effectiveness in addressing drought risks. This customization is expected to enhance the resilience of these communities by facilitating more effective risk management solutions.

The Country Office also made progress in finalizing its Operational Plan (OP) through obtaining Government approval. The OP outlines priorities and resources for disaster risk management, reflecting strong institutional support and improving coordination with Government counterparts. Effective coordination among the Government, WFP, Start Network, and ARC has been established to prepare for interventions. The Government is leading efforts to align the Operational Plans and Final Implementation Plans (FIP) among all ARC policholders, ensuring a coordinated approach to risk management and early response.

A workshop was held from August 26 to 30 which successfully identified risk transfer parameters (RTPs) for the crop and rangeland sectors, involving Government, WFP, and other strategic partners. Key outcomes included defining risk thresholds and premium structures tailored to Somalia's agricultural context. This process not only established a solid foundation for the development of insurance products but also fostered a collaborative environment among key stakeholders.

The signing of the insurance policy for the Deyr 2024 Rangeland on September 30 operationalizes the insurance scheme to support communities affected by extreme drought, finalizing the policy, and establishing a risk transfer framework.

# SOMALIA

## COUNTRY CONTEXT

Somalia continues to grapple with severe food insecurity, worsened by consecutive seasons of below-average rainfall and the impacts of La Niña, leading to drought-like conditions that have significantly affected agriculture and livestock health. An estimated 3.8 million people are internally displaced due to conflict, droughts, and flooding, with with three to four million requiring urgent food assistance. Many households are experiencing moderate to severe food consumption gaps, exacerbated by anticipated below average Deyr harvests and rising food prices. High competition for limited agricultural labor and soaring staple food prices have left vulnerable populations, particularly internally displaced persons (IDPs), in critical conditions. Local cereal prices are reported to be 20 to 70 percent above the five-year average, with Emergency (IPC Phase 4) outcomes prevalent in several regions. Many households are resorting to harmful coping strategies, such as selling productive assets and increasing reliance on wild foods. Without significant humanitarian assistance and livelihood support, the food security situation is set to worsen, putting more households at risk of acute food insecurity amid ongoing economic and climatic challenges.

## CHALLENGES AND LESSONS LEARNED

- Navigating the ARV system was complex; earlier training sessions for new users are needed for smoother integration.
- Collecting comprehensive data for the OP was challenging due to limited access; a centralized data-sharing platform could improve future access.
- It is critical to ensure relevant staff attend introductory RTP workshops to enhance foundational knowledge and understanding of the programme.
- Finalizing the Government OP took longer than expected due to extensive discussions; setting clear timelines for feedback can speed up the review process.

## OUTLOOK FOR 2025

In 2025, WFP Somalia aims to purchase both crop and rangeland macro insurance policies to enhance WFP's financial protection, ensuring broader coverage for vulnerable populations in Somalia.

## 2024 KEY ACHIEVEMENTS



Successful Technical Working Group meetings held to enhance the ARV model, resulting in improved Risk Transfer Parameters that better reflect Somalia's drought risk profile.



Coordinated with the Federal Government of Somalia, Start Network, and ARC to finalize the drought response Operational Plan, ensuring alignment on strategies and interventions.



Designed and secured Government approval for the ARC Replica Operational Plan, ensuring targeted cash assistance for up to 50,176 beneficiaries during a drought payout.



WFP signed a US\$400,000 parametric drought insurance policy for the Somalia Country Office, covering 50,176 vulnerable individuals from September 11, 2024, to January 20, 2025.

# SUDAN



## WITH FINANCIAL SUPPORT FROM



Foreign,  
Commonwealth  
& Development  
Office (FCDO),  
Global Shield  
Financing Facility  
(GSFF)

## MACRO-LEVEL RISK FINANCING



**110,648 people**  
covered with  
macro insurance



**US\$1,000,000 of**  
insurance premium



**US\$4,647,231 of**  
sum insured

## DISASTER RISK FINANCING IN SUDAN

WFP Sudan utilizes a macro insurance risk financing approach, specifically ARC Replica, to bolster the resilience of smallholder farmers and pastoralists against weather-related shocks and large-scale disasters such as drought. This tool is linked with other WFP programme activities to amplify their impact. For instance, the macro insurance is connected to emergency response efforts, ensuring timely assistance during crises. The Operational Plan (OP) for the risk financing mechanism includes cash-based transfers (CBTs) and General Food Distribution (GFD) activities to provide immediate relief when a payout is triggered by an extreme drought, promoting a comprehensive approach to climate risk management and food security in Sudan.

## 2024 PROGRESS

Building on the progress made in 2023, when WFP successfully introduced the ARC Replica programme despite conflict-related challenges, the Country Office continued its implementation in 2024, expanding coverage to protect 110,648 people. In the last quarter of the year, the Country Office, Regional Bureau of Nairobi, and WFP DRF team collaborated closely with ARC to convene an AfricaRiskView (ARV) customization workshop in Addis Ababa and actively participated in the training sessions.

The workshop outcomes clearly indicate that additional efforts are needed to build the capacity and strengthen the Technical Working Group (TWG) in using the software, selecting Risk Transfer Parameters (RTPs), and conducting seasonal monitoring. The workshop also highlighted a data gap necessary for updating and customizing the software, which requires further technical support to address. The process of updating and finalizing the customization of the ARV software will continue into 2025, enhancing the sustainability of macro insurance implementation in Sudan.

The Operational Plan for ARC Replica Sudan, initially developed in 2023, was utilized for the 2024 season and will be updated for 2025. Additionally, ARC organized an online workshop to facilitate the selection of RTPs in consultation with the TWG. Following the receipt of a Government agreement letter from the Ministry of Finance and Economic Planning (MOFEP), WFP Sudan successfully signed a rangeland macro insurance policy in June 2024.

# SUDAN

## COUNTRY CONTEXT

Sudan faces severe weather-related impacts, with reduced harvests and livestock losses threatening agriculture and pastoral systems, which comprised 65 percent of GDP before the war. The ongoing conflict and economic collapse have left 25.6 million people in crisis, including 4.86 million suffering from acute malnutrition. Rising food prices, resource shortages, and environmental degradation exacerbate the situation, fueling intercommunal conflicts over natural resources. To address these challenges, WFP supports communities and the Government with risk financing solutions, such as national disaster risk insurance, enabling faster and more cost-effective responses to extreme weather shocks such as droughts.

## CHALLENGES AND LESSONS LEARNED

The ARC Replica programme in Sudan encountered several challenges, including limited stakeholder familiarity with ARV software and difficulties in accessing reliable data for modeling. These issues were mitigated through targeted training sessions and close collaboration with ARC experts to ensure the software customization aligned with Sudan's context. Additionally, aligning the Operational Plan with Sudan's diverse risk landscape required extensive consultations and streamlined feedback processes to address national priorities effectively.

Coordination efforts were enhanced through regular meetings and capacity-building activities, despite the absence of a formal tripartite MoU due to sanctions. Instead, a Government agreement letter facilitated the necessary collaboration. Recommendations for improving the programme include simplifying training materials, establishing clearer timelines for data submission, and fostering cross-sectoral collaboration to ensure integrated programming.

## OUTLOOK FOR 2025

WFP will integrate ARC Replica insurance (covering moderate risks like one-in-four or one-in-five-year events) with a Catastrophic Insurance Layer for rarer, extreme events (e.g., one-in-25-year events). Complementary tools, such as trigger-based contingency funds, will cover localized or smaller-scale shocks that do not activate national insurance policies. By diversifying financing instruments, the project seeks to maximize resource efficiency, expand coverage and strengthen Sudan's capacity to effectively and promptly respond to disasters.

## 2024 KEY ACHIEVEMENTS



Signing a rangeland macro insurance policy in 2024, covering key risks for Sudan's agricultural and pastoral systems.



Strong collaboration with government entities and TWG ensured the policies were tailored to country needs by completing the first phase of ARV software customization.



Risk financing tools were effectively linked to emergency response programmes, showcasing a holistic approach.



Conducting workshops and training sessions with ARC built institutional knowledge, ensuring stakeholders could actively contribute to and sustain the programme.





# STORIES FROM THE FIELD

## Crop insurance takes root in rural Ethiopia\*

When Yohannes Negash lost half of his wheat harvest to a crop disease known locally as wag, he asked himself, “how will I have the courage to plant again?”

“I am a farmer, son of a farmer, grandson of a farmer and I could go on,” he recalls jokingly today, but with a sense of pride in his voice.

For millions of Ethiopians, farming is not merely a profession, it is a way of life woven into their identity and passed through generations. But farming is a risky business in this East African country, where weather-related shocks, conflict and unpredictable market prices can spell disaster.

These dangers can discourage farmers from investing in improved agricultural practices, making them even more vulnerable to weather extremes and food insecurity. Ethiopia’s northern Amhara region, where Negash lives, is no exception.

But today growers like Negash, who plant chickpeas, pulses and soya beans along with wheat, are starting to invest in their future, thanks to an innovative crop insurance scheme supported by the World Food Programme (WFP), the Ethiopian government and an agritech startup, Pula Advisors. Launched in 2023, it insures farmers against droughts, excessive rainfall, hailstorms, pests and crop diseases.



**FOR VULNERABLE FARMERS  
LIKE ME, THIS INSURANCE IS  
A NECESSITY**

**Yohannes Negash,**  
*insurance beneficiary in Ethiopia.*

\* This section reports an article written by Elshaday Gebeyehu and published in August 2024. Click [here](#) to read the article.

The Amhara farmers' insurance scheme — amounting to WFP's biggest of its kind to date — is part of a broader, global rural resilience initiative that WFP supports through an assortment of governments and partners. It targets over 250,000 farmers in the Amhara region alone. Beyond offering insurance, the resilience effort aims to improve farming practices and incomes for example, by hiring rural workers for projects like restoring degraded lands.

"The idea is to reinforce farmers' resilience at every point in the farming process, which builds their capacity to withstand the effects of extreme weather and strengthens their food and income security," says Olipa Zulumbata, WFP programme head in the Amhara region.

For Negash, the insurance has been a rare blessing amid a string of setbacks. Recurrent droughts, locust infestations and, more recently, conflict have hit his region, decimating harvests and deepening hunger.

"The past couple of years have been difficult for us farmers," he says. "We had just planted when the war first came to our area (in 2021), and I was unable to gather my crops."

Last year wag disease, a fungal disease which affects cereal crops, wiped out Negash's harvest — even as conflict continued. "How can we grow if there is no peace?" he asked himself. Negash also had misgivings about the crop insurance scheme, when he learnt about it from his village savings group. "At first, I

thought it would invite bad luck to my farm," he says. "I was very hesitant to join, but I decided to enrol after hearing about it in various meetings."

"We initially faced some challenges with gaining acceptance," says Tackle Hailu, a project coordinator with the WFP partner, Pula Advisors. "But our collaboration with WFP and other partners to sensitize communities showed great results."

This year, Negash was counted among tens of thousands of farmers who received insurance payouts for their wag-destroyed harvests, with the payouts totalling US\$675,000 for the region.

"The biggest lesson for me from this experience is that while I cannot control the different issues that may affect my farm, I can prepare for them in advance," he says. "For vulnerable farmers like me, this insurance is a necessity. Just as we have health insurance for our bodies, we also need crop insurance for our farms."

Today, Negash plans to use the insurance payout to expand his farming activities. He has also become an advocate for the scheme, encouraging other farmers in his village to join it.

"If I have a better harvest, I can ensure my children advance their education in the nearby cities," Negash says. "If they don't make it in school, I can give them money for seeds to start their own business. If you have the means," he adds, "anything is possible."



# MIDDLE EAST



## LEGEND

 Number of people covered by insurance	 Number of people benefiting from insurance payouts	 Pests and diseases	 Excess rainfall	 Cold spell
 US\$ value of premiums	 US\$ value of payouts triggered and/or disbursed in 2024	 Cyclone	 Flood	 Heatwave
 US\$ value of sum insured	 Current countries	 Violent wind	 Hail	 Drought
	 Expansion countries	 Frost		

# IRAQ



## WITH FINANCIAL SUPPORT FROM



German Federal Ministry of Economic Cooperation and Development (BMZ) and the WFP Innovation Accelerator

## INCLUSIVE RISK FINANCING



2,400 people covered with inclusive insurance



400 households insured (3,5 percent women)



US\$20,000 of insurance premium



US\$200,000 of sum insured

## DISASTER RISK FINANCING IN IRAQ

WFP Iraq is enhancing its support for smallholder farmers by integrating innovative risk financing and financial inclusion strategies. One key initiative, the Savings, Insurance and Loan Layering (SAILL) Approach is designed to bolster the resilience of vulnerable populations against weather-related shocks and ensure sustainable livelihoods during adverse climatic events. The model contemplates the following:

- A meso-level insurance scheme bundled with productive loans from financial institutions as part of a comprehensive intervention to promote resilience and productivity; and
- Strengthened saving products tailored to improve the absorption capacity of smallholder farmers and Small and Medium Enterprises (SMEs).

At the operational level, SAILL is composed of two workstreams: Inclusive insurance and SheCan. In 2024, WFP Iraq launched a groundbreaking microinsurance programme, the first of its kind in Iraq and the broader Middle East and North Africa (MENA) region.

## 2024 PROGRESS

In December 2024, WFP Iraq signed an agreement with the selected insurance company, Asia Gate. In partnership with the technical service provider, Weather Risk Management Services (WRMS), two inclusive insurance products were designed for heatwaves and droughts. Both products were approved by the Iraqi regulatory authority, Insurance Diwan. WFP has secured extensive Government buy in from the Insurance Diwan, the Ministry of Agriculture, and the Ministry of Environment. Notably, the Ministry of Environment invited WFP Iraq to co-host a side event at COP 29 in Baku, Azerbaijan, highlighting the project during the thematic day on Finance, Investment, and Trade. The side event included a panel discussion convening representatives from the Ministry of Environment, the Ministry of Finance, the Prime Minister's Office – Kurdistan Regional Government and Weather Risk Management Services (WRMS).

## CHALLENGES AND LESSONS LEARNED

Some of the challenges faced this year included difficulties in identifying aggregation points and groups of farmers, which stemmed from the nature of WFP Iraq's rural livelihoods portfolio. To address this, WFP is working to create entry points for smallholder-focused initiatives in 2025, with a focus on integrating Climate Risk Insurance (CRI) with Aggregation Hub Joint Pilot in collaboration with the International Trade Centre (ITC).



# IRAQ

## COUNTRY CONTEXT

Iraq has emerged from conflict and insecurity and set forth on an ambitious path to addressing weather-related challenges, social protection issues, poverty and food insecurity. However, challenges remain. The impact of weather-related events poses a risk to national food systems, with water scarcity and environmental degradation diminishing the capacity to increase agricultural productivity, rendering Iraq increasingly dependent on food imports to meet its needs. Droughts, heatwaves, sandstorms and shifting precipitation patterns negatively impact the agriculture sector, human settlements and critical infrastructure, compromising the livelihoods and well-being of farmers and micro-entrepreneurs. In 2024, Iraq continued to rely on oil revenues, with progress in oil production and electricity generation, but faced currency fluctuations, fiscal deficits, and corruption. Politically, instability persisted due to governance issues and regional conflicts. Climatically, severe droughts and water scarcity further strained agricultural output and food security. Despite these challenges, efforts to stabilize the economy and improve infrastructure showed progress.

Cultural norms, societal barriers, and patriarchal land rights also presented challenges in identifying and effectively supporting women farmers. Although insurance policies are typically registered in a husband's name, CRI ensures that the livelihoods of the entire household are protected.

Additionally, operational delays in selecting and onboarding the private sector insurance company led to the heatwave product being tested as a dry run. The selected insurance company has limited capacity in issuing timely payouts, but WFP and its partners are working to create links with digital wallets to ensure that farmers receive payouts as efficiently and promptly as possible.

## OUTLOOK FOR 2025

In 2025, WFP will facilitate half-day sensitization trainings in both locations to inform beneficiaries about their coverage for droughts and how the product works. A follow-up session will be held in May to explain how payouts are triggered. The first payouts are expected in 2025, paving the way for impact assessments, evaluations, and adjustments before the next season. Following the dry run for the heatwave season in 2024, this season will be fully operational, with both coverage and payouts in place.

Additionally, WFP Iraq will focus on further strengthening institutional capacity in 2025, supporting the development of regulatory frameworks in the country. WFP is also in discussions with the Kurdistan Regional Government (KRG) about involving the Kurdistan Region of Iraq (KRI) in future scale-up activities.

## 2024 KEY ACHIEVEMENTS



WFP Iraq has established itself as a partner of choice with the Iraqi Insurance Diwan, enabling the development and launch of inclusive micro insurance.



WFP Iraq co-hosted a side event at COP 29 in Baku, Azerbaijan, highlighting its global efforts to combine financial instruments with resilience-building measures.



In April 2024, WFP Iraq hosted a Climate Risk Insurance Technical meeting, bringing together 50 representatives from four government ministries. The workshop provided a platform to discuss the project's design and upcoming implementation, foster shared understanding, and collaboratively address pending data elements needed to finalize the product design.



WFP Iraq launched the region's first WFP-supported microinsurance pilot, providing coverage for 400 farming households.

# SYRIA ARAB REPUBLIC



## WITH FINANCIAL SUPPORT FROM



Global Shield Financing Facility (GSFF), Humanity Insured

## MACRO-LEVEL RISK FINANCING



240,000 people covered with macro insurance in 2025



US\$1.25 million of insurance premium



US\$9.25 million of sum insured

## DISASTER RISK FINANCING IN SYRIA ARAB REPUBLIC

In Syria, WFP's risk finance approach focuses on protecting climate-vulnerable communities from drought and other weather-related shocks. A pilot macro insurance initiative was launched to provide pre-arranged financial protection, enabling WFP to deliver timely assistance after failed harvests. This approach helps safeguard food security and livelihoods, preventing negative coping strategies like reducing meals or selling assets. Integrated into WFP's broader disaster risk financing portfolio, the initiative enhances disaster response preparedness and supports earlier interventions. In fragile contexts, where government capacity is limited, this approach ensures efficient and predictable responses to weather extremes, benefiting vulnerable populations.

## 2024 PROGRESS

In 2024, WFP made significant progress in advancing disaster risk financing solutions through strong partnerships and innovative approaches. Collaborating with Swiss Re under the Insurance Development Forum (IDF), WFP developed a tailored macro insurance policy to address the impacts of drought in Syria. This policy transfers disaster risk to the insurance market, enabling WFP to respond quickly and effectively to extreme drought events by funding food assistance operations. Designed using the Normalized Difference Vegetation Index (NDVI) to monitor drought conditions, the policy provides payouts proportional to drought severity, ensuring timely and targeted support for affected communities. Coverage spans key areas in Syria, with a focus on the five regions most vulnerable to weather-related shocks and critical for agricultural production. A pre-arranged Operational Plan ensures that cash assistance reaches the most vulnerable households weeks ahead of traditional assistance. By mitigating harmful coping mechanisms such as skipping meals or selling assets early on, this initiative safeguards food security and strengthens resilience in fragile contexts. It reflects WFP's broader commitment to disaster preparedness, early interventions, and leveraging partnerships to protect vulnerable populations from the compounded effects of weather-related shocks and protracted crises.

# SYRIA ARAB REPUBLIC

## COUNTRY CONTEXT

Syria faced profound challenges in 2024 due to ongoing conflict, political instability, and economic collapse. The humanitarian crisis deepened, with 12.1 million people experiencing food insecurity, a 51% increase since 2019. Climatic shocks, including prolonged drought, exacerbated water scarcity, crop failures, and rural-to-urban migration, further straining resources. Malnutrition rates surged, with one in four children stunted in some areas. Amidst these crises, disasters such as earthquakes and floods compounded vulnerabilities, highlighting the urgent need for robust disaster risk financing and humanitarian assistance to address Syria's fragile state.

## CHALLENGES AND LESSONS LEARNED

In 2024, some challenges were identified in the implementation of the risk financing model, providing valuable lessons for future improvement. At times, clouds can obstruct the collection of clear satellite imagery needed for ground data. However, this is effectively managed by combining images taken over several days, ensuring the model's reliability was not compromised. Limited historical yield data prevented the validation of certain payout years, but these gaps were recognized without impacting the overall accuracy of the approach. Additionally, in the absence of updated production figures, population-based weighting was used as a temporary measure to allocate payouts effectively. These experiences highlight the importance of recognizing and addressing data limitations while maintaining confidence in the model's ability to deliver timely and reliable support to vulnerable communities.

## OUTLOOK FOR 2025

Looking ahead to 2025, WFP will launch the first coverage of this macro insurance product incorporating the lessons learned in 2024 into its parameters. This new insurance product will ensure sustained protection for vulnerable populations, while WFP and its partners incorporate potential refinements, such as integrating additional data sources to enhance trigger reliability and response effectiveness.

## 2024 KEY ACHIEVEMENTS

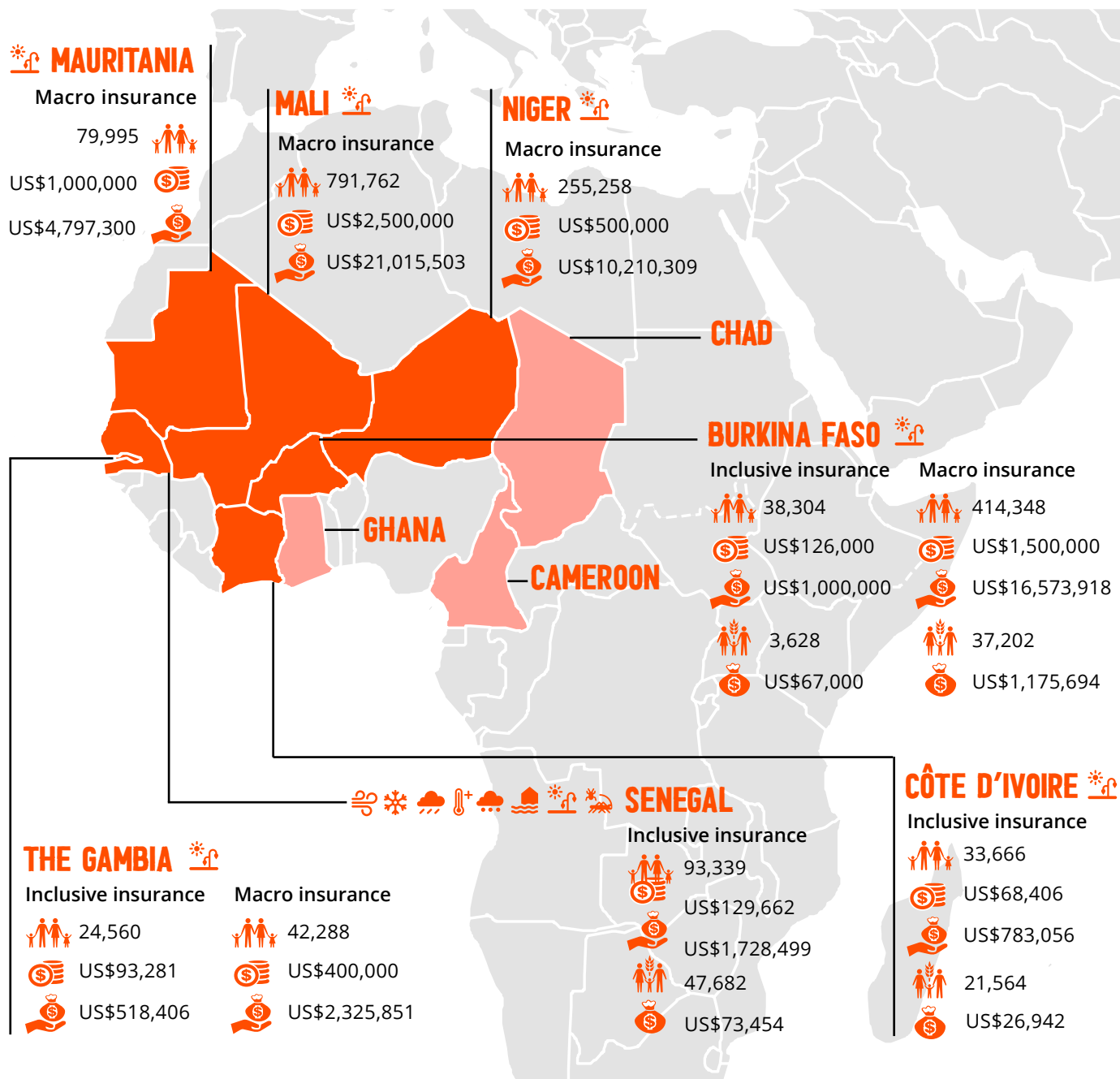


Development of a pre-arranged Operational Plan featuring a multi-purpose cash intervention to support vulnerable households.



Designed a groundbreaking macro insurance policy in the region, with a US\$1.25 million in premium and a financial protection totalling US\$9.25 million, which will provide coverage for up to 240,000 people.

# WEST AFRICA



## LEGEND





# BURKINA FASO



## WITH FINANCIAL SUPPORT FROM



Global Affairs  
Canada (GAC),  
Norwegian Agency  
for Development  
Cooperation  
(NORAD), U.S.  
Agency for  
International  
Development  
(USAID)

## DISASTER RISK FINANCING IN BURKINA FASO

In Burkina Faso, WFP implements a comprehensive risk financing approach to address food insecurity and enhance resilience to weather-related shocks. A key component of this is macro insurance through ARC Replica which provides sovereign drought insurance that triggers timely responses during crises, enabling the pre-positioning of food assistance. This approach aligns with anticipatory action initiatives, where early warning systems and contingency planning help mitigate the impact of climatic shocks before they escalate. Additionally, smallholder farmers benefit from inclusive insurance programmes and agricultural risk management strategies to safeguard livelihoods against erratic weather patterns. These tools are integrated into WFP's broader programmes, such as support for social protection, resilience, school feeding and nutrition initiatives. This ensures that vulnerable populations, particularly in rural areas, have access to critical resources during crises. This integrated approach only strengthens food security but also enhances long-term resilience to climatic and economic challenges.



ARC Replica beneficiary receiving assistance in Burkina Faso.  
WFP/Jecuthiel Yameogo

# BURKINA FASO

## INCLUSIVE RISK FINANCING



**38,304 people**  
covered with  
inclusive insurance



**5,472 households**  
insured  
(48 percent  
women)



**US\$126,000 of**  
insurance premium



**US\$1,000,000 of**  
sum insured



**US\$67,000 of**  
payouts  
distributed,  
benefiting  
3,628 people

## 2024 INCLUSIVE RISK FINANCING PROGRESS

In 2024, under the inclusive insurance programme, 3,628 households, totaling 25,396 beneficiaries received a payout of US\$73,082. A total of 5,472 households were insured, benefitting 38,304 beneficiaries. The total premium amounted to US\$126,000, with a total financial coverage totalling US\$1,000,000.

Under the inclusive insurance programme, WFP Burkina Faso took steps to build capacity by organizing training sessions for religious, political, and opinion leaders on agricultural insurance and financial education in 11 municipalities. These sessions sensitized a total of 347 people surpassing the initial target of 309 people and achieving an implementation rate of 112 percent.

Additionally, a documentary film was produced based on these training sessions. The aim of this film was to widely disseminate information and raise awareness among producers about agricultural insurance and financial education.

### Challenges and Lessons Learned

The project faced security challenges as some intervention areas moved into “red zones,” making it difficult to complete activities on time. Additionally, the movement of beneficiaries to more secure areas and inaccessibility of certain regions hindered the ability to reach all planned beneficiaries and effectively monitor enrollment. Key lessons learned include the importance of updating the beneficiary list before each campaign to ensure accurate targeting and the value of close field monitoring to address issues promptly.

### Outlook for 2025

In 2025, Burkina Faso will be one of the priority countries to launch microinsurance coverage for the Sahel region through the Africa Integrated Climate Risk Management (AICRM) project. It will be building on IFAD ongoing projects called PAPFA and WFP’s previous support to smallholder farmers.



A total of 5,472 households are insured and of these 48 percent (2,645) are women policyholders. In 2024, 3,628 households received an insurance payout and of these policyholders 174 were women.



Capacity-building efforts involved organizing training sessions for religious, political, and opinion leaders on agricultural insurance and financial education in 11 municipalities.

# BURKINA FASO

## MACRO-LEVEL RISK FINANCING



414,348 people covered with macro insurance



US\$1,500,000 of insurance premium



US\$16,573,918 of sum insured



US\$ 1,175,694 from insurance payouts distributed benefitting 37,202 people

## 2024 MACRO-LEVEL RISK FINANCING PROGRESS

During the 2023-2024 season, under the macro insurance programme, WFP Burkina Faso received a payout of US\$2,628,004 which enabled WFP to assist 37,202 beneficiaries, including 19,934 women, with timely and impactful assistance.

In 2024, WFP also supported the Government in customizing the Africa Risk View software (ARV) and refine it to match the specific climatic and agricultural context of Burkina Faso. Additionally, a detailed operational plan for ARC Replica was developed and validated with all stakeholders.

Following the implementation of the payout, an analysis of key indicators was conducted. The information gathered through various monitoring mechanisms provided insights into the impact of the assistance on beneficiaries and the performance of the distribution process.

### Challenges and Lessons Learned

One of the main challenges encountered was ensuring the availability and quality of localized data for ARV customization. This proved difficult, as some datasets, particularly those related to pastoral and agricultural statistics, were incomplete or outdated, initially limiting the model's accuracy. Coordinating inputs from multiple actors occasionally led to delays, especially during the internal review of the operational plan. Additionally, the technical complexity of defining and validating risk transfer parameters required significant capacity-building efforts for the technical working group (TWG).

It was observed that effective coordination among multiple actors requires the establishment of communication channels, such as regular joint meetings and clear documentation of roles, which are essential to resolving delays. Another significant lesson learned was that including host households as part of the response significantly reinforced social cohesion with displaced populations. As these households shared their limited resources despite their own precarious situation, it became a highly appreciated measure, that must be considered in future response planning.

### Outlook for 2025

Macro insurance programming in 2025 will continue to ensure a strong partnership with the Government especially in terms of preparedness capacity building. WFP will also explore coordination planning with anticipatory actions to optimize response plans.

# BURKINA FASO

## COUNTRY CONTEXT

In 2024, Burkina Faso faced multifaceted challenges stemming from climatic shocks, political instability and economic pressures. Prolonged droughts and erratic rainfall significantly impacted agricultural productivity, exacerbating food insecurity in a country where over 40 percent of the population depends on agriculture. The political landscape remained fragile due to recurring instability and challenges related to governance while escalating insecurity and displacement due to armed conflicts heightened vulnerability across rural areas. Macroeconomic pressures, including inflation driven by global economic trends and local disruptions, further strained livelihoods, increasing the dependence on humanitarian assistance to address the growing needs of vulnerable populations.

## 2024 KEY ACHIEVEMENTS MACRO RISK FINANCING



The collaboration between WFP and national stakeholders reinforced local ownership of the ARC Replica initiative. By fostering transparent processes and engaging regional and local authorities, the programme created a shared sense of responsibility, ensuring that the solutions developed are sustainable to the benefit of the communities.



WFP also supported the Government in customizing the Africa Risk View software (ARV) and refine it to match the specific climatic and agricultural context of Burkina Faso.



WFP's emphasis on incorporating policies that are sensitive to the needs of women and men into the programme design highlighted the commitment to inclusivity and equity, ensuring that the benefits of ARC Replica reached vulnerable populations in an equitable manner.



Guire Salamata, an ARC Replica beneficiary receiving WFP assistance following the drought in Burkina Faso

WFP/Jecuthiel Yameogo



# CÔTE D'IVOIRE



## WITH FINANCIAL SUPPORT FROM



WFP Innovation  
Accelerator and  
Green Climate  
Fund

## INCLUSIVE RISK FINANCING



33,666 people  
covered with  
inclusive insurance



5,611 households  
insured  
(37 percent  
women)



US\$68,406 of  
insurance premium



US\$783,056 of sum  
insured



US\$26,942 of  
payouts  
distributed,  
benefiting  
21,564 people

## DISASTER RISK FINANCING IN CÔTE D'IVOIRE

The WOMEN ADAPT project, funded by the Green Climate Fund with a budget of US\$10 million, strengthens Côte d'Ivoire's risk financing strategy by empowering women producers. Over the next five years, the project aims to subsidize climate insurance for over 42,000 women farmers. By aligning this initiative with WFP programmes such as Smallholder Agricultural Market Support, support social protection and cash-based transfers, WOMEN ADAPT addresses vulnerabilities to weather-related shocks, while promoting women's financial inclusion. The project also includes capacity-building activities to enhance beneficiaries' skills and foster resilient agricultural practices. In addition to the major funding from the Green Climate Fund, the project benefits from WFP's Innovation Accelerator fund and a contribution from the Country Office for the cocoa pilot started in 2023. WOMEN ADAPT ensures that women play a pivotal role in building resilient communities and contributing to national development objectives.

## 2024 PROGRESS

In 2024, agricultural insurance initiatives in Côte d'Ivoire made significant progress, reaching diverse groups of beneficiaries in key regions. In the western part of the country, the cocoa insurance project entered its second phase, enrolling 5,111 producers, with 30 percent being women. The project adopted a progressive subsidy model, covering 70 percent of premiums for this second year, enabling farmers to gradually take ownership of their insurance while receiving support through training in innovative agricultural practices and cooperative management.

Meanwhile, the WOMEN ADAPT project launched in northern Côte d'Ivoire (Poro region) with 500 beneficiaries, 99 percent of whom were women. The first phase of the project focused on providing climate insurance alongside tailored support to improve agricultural techniques, financial inclusion and access to credit. The project underscored its commitment to promoting women's empowerment while building the resilience of women producers against weather-related shocks.

## CHALLENGES AND LESSONS LEARNED

These initiatives reflect the increasing acceptance of insurance as a critical risk management tool. However, challenges remain in ensuring continued engagement and addressing the specific needs of female producers. The phased reduction of subsidies requires careful management to build trust and maintain participation.

## COUNTRY CONTEXT

Côte d'Ivoire faces growing weather-related challenges impacting vulnerable populations and key economic sectors. The country is mainly exposed to droughts and excess rainfall, with these climate-related hazards increasingly affecting vulnerable populations in recent years. According to the World Bank, a hotter and drier weather could reduce GDP by 13 percent by 2050, jeopardizing the country's goals and pushing 1.63 million people into poverty. Droughts linked to the 2024 El Niño phenomenon have worsened food insecurity, affecting agriculture and water resources. The report also highlights the vulnerability of infrastructure and sectors like cocoa and energy. Despite positive private sector growth, the country's adaptation capacity remains limited and fragmented, with insufficient policies and institutions to address these pressing challenges effectively.

The results of 2024 demonstrate the potential of well-structured insurance schemes combined with capacity-building efforts to drive inclusive agricultural development. By targeting vulnerable populations and empowering women, these projects are laying the foundation for more resilient and sustainable farming communities in Côte d'Ivoire.

## OUTLOOK FOR 2025

The year 2025 will be marked by strategic initiatives aimed at building on our achievements and exploring new opportunities. A workshop on lessons learned from the COCOA project will be organized, providing a vital platform to capitalize on the results achieved and identify sustainable funding sources to extend and expand the project's impact. Additionally, the WOMEN ADAPT project will present a promising opportunity to strengthen the integration of climate insurance within the country office. This initiative is expected to enhance community resilience, particularly for women, in the face of weather-related risks, while solidifying WFP's position as a key player in innovative insurance solutions.

## 2024 KEY ACHIEVEMENTS



A new Field-Level Agreement (FLA) was signed with the Agence Nationale d'Appui au Développement Rural (ANADER). This partnership aims to enhance beneficiary support by leveraging ANADER's expertise in field operations and agricultural extension services.



Regular monitoring showed that participants had a strong capacity to cope with and adapt to weather-related shocks, reflected in a Climate Resilience Capacity Score (CRCS) of 76.64.



In addition to mass awareness sessions on the insurance product, its functioning and benefits, additional training sessions were conducted. These focused on administrative and financial management (e.g., accounting, sales techniques) for cooperatives to facilitate their access to financial services. A total of seven cooperatives were supported, with 35 leaders trained, including one woman.

# MALI



## WITH FINANCIAL SUPPORT FROM



Foreign, Commonwealth & Development Office (FCDO), Global Shield Financing Facility (GSFF), Premium Support Facility (PSF), U.S. Agency for International Development (USAID)

## MACRO-LEVEL RISK FINANCING



**791,762** people covered with macro insurance



**US\$2,500,000** of insurance premium



**US\$21,015,503** of sum insured

## DISASTER RISK FINANCING IN MALI

WFP Mali has been implementing ARC Replica since 2018. Payouts from ARC Replica insurance policies are used to support affected people in the pre-lean season period. Funds can be allocated to shock-responsive social safety nets, food distribution and nutrition assistance, as per the Government-approved Operational Plan. Given that conflict, insecurity and weather-related shocks, particularly droughts, affect millions of people each year, the WFP Mali has established an integrated disaster risk financing strategy that aims to address various types of drought events. While the Contingency Fund provides protection for localized dry spells, the ARC Replica insurance and the Catastrophe Layer offer protection in case of medium and high impact drought events. These instruments enable WFP to provide cash-based assistance in alignment with the government social protection programmes, as well as food and nutrition assistance to affected people.

## 2024 PROGRESS

In 2024, prolonged and intense rainfall followed by unprecedented flooding displaced over 350,000 people and devastated 85,000 hectares of cropland, 730,000 metric tons of cereal stocks, and critical infrastructure. Public facilities, including 100 schools repurposed as shelters and 79 rendered unusable, suffered significant damage, delaying education for thousands of children. Concurrently, Nianfunke Cercle experienced a challenging onset rainy season, affecting approximately 126,771 vulnerable people.

As the scale of the impact was more localized the ARC Replica insurance and the Catastrophe Layer did not trigger, however, US\$138,547 was triggered from the Contingency Fund which will be distributed to 8,992 people in early 2025. The Contingency Fund payment will help people with much needed cash-based assistance delivered through social safety nets, aligning with the national social protection system.

## ARV CUSTOMIZATION

The TWG met in March 2024 for the customization workshop to review the 2023/24 end season result for agricultural and the pastoral models. The TWG also reviewed the agricultural index customization after a data set change occurred in 2023 but, after long and intense discussions, participants agreed to keep the previous data set, which is CHIRP. The TWG analyzed the restitution regarding the pastoral model and agreed to change it to the end of the pastoral season to October 31. The revised adjusted risk profiles for both models (agricultural and pastoral) have now been approved by the TWG.

# MALI

## COUNTRY CONTEXT

Mali is extremely vulnerable to weather-related shocks, grappling with higher temperatures and increasingly frequent extreme weather events. In July and August 2024, Mali faced severe weather-related shocks with prolonged and intense rainfall leading to unprecedented flooding. These challenges exacerbated food insecurity which was further worsened by conflict and political insecurity. The December 2024 Cadre Harmonisé analysis estimated that around 901,911 people faced acute food insecurity during that period, with 1.5 million people projected to face food insecurity during the lean season.

## POLICY SIGNATURE

Since the Government of Mali was not able to buy a policy this year, the Operational Plan for the Replica policy has not been revised. However, WFP Mali has developed an adapted Operational Plan for the contingency fund and the catastrophe layer instruments.

## CHALLENGES AND LESSONS LEARNED

In the wake of the El Niño payout in the southern Africa region, Mali experienced significant delays this year due to last-minute changes in pricing and policy wording from ARC. Despite these challenges, WFP swiftly adapted by revising policy changes and designing risk transfer parameters to ensure that climate protection remained accessible for the vulnerable population. Moving forward, additional efforts will be made to enhance effective and timely risk layering operational planning between the three instruments: ARC Replica, Catastrophe layer and the contingency fund.

## 2024 KEY ACHIEVEMENTS



Although the Government was not able to take out a policy for this period, WFP Mali took out a Replica policy to protect vulnerable people against drought events.



The TWG met in March 2024 for the customization workshop to review the 2023/24 end season result for agricultural and the pastoral models and revised and adjusted risk profiles for both models. These have now been approved by the TWG.



In collaboration with ARC Limited, WFP Mali customized two new disaster risk financing instruments this year to address severe drought events: Contingency Fund and Catastrophe Layer. Mali is one of the first countries where WFP has successfully implemented a risk layering strategy to effectively address different levels of risks.



# MAURITANIA



## WITH FINANCIAL SUPPORT FROM



Foreign, Commonwealth & Development Office (FCDO), Global Shield Finance Facility (GSFF) and Global Affairs Canada (GAC)

## MACRO-LEVEL RISK FINANCING



79,955 people covered with macro insurance



US\$1,000,000 of insurance premium



US\$4,797,300 of sum insured

## DISASTER RISK FINANCING IN MAURITANIA

Disaster risk financing, an innovative approach introduced in Mauritania through the partnership between WFP and the Government, aims to provide funding for early response in the event of severe drought. This approach enables WFP to provide early assistance in cash transfers through social safety nets. The Government has participated in the ARC programme since 2012. WFP joined the initiative with an ARC Replica policy in 2019 to expand coverage to one million Mauritians who will be protected annually against severe drought, which in turn can help mitigate the risk of food insecurity. Additionally, the DRF approach now also includes a trigger-based contingency fund that provides financing for more localized droughts, that may not trigger national-level insurance policies. In 2024, with the support of WFP and IFAD, Mauritania also benefited from a new inclusive insurance programme that provides protection to smallholder farmers against income losses caused by drought.

## 2024 PROGRESS

In 2024, the Mauritanian government and WFP participated in the customization workshop for the programme in Mauritania. The input parameters for the two insurance products (agricultural drought and pastoral drought) were presented and discussed, along with the agronomic conditions of the reference crop (sorghum, with a growth phase duration of 90 days in Brakna and Trarza and 110 days for the rest of the country), including the authorized sowing periods for the reference crop. Unlike last year, this year the Climate Hazards Group InfraRed Precipitation with Station data (CHIRPS) was chosen by the government as the dataset to use in the Africa RiskView software (ARV).

## OPERATIONAL PLANNING

The year 2024 provided an opportunity to revise WFP's replica Operational Plan, which is now valid for 2024-2026, while the government's plan remains valid and will expire in December 2025. The benefit of this Replica Operational Plan is that it aligns with the priorities of WFP Mauritania's new Country Strategic Plan (CSP) for 2024-2028. Additionally, the cash transfer modality will be used in all interventions planned in the new Operational Plan.

## RISK TRANSFER PARAMETER SELECTION

The ARC programme in Mauritania, launched in 2014, has established ongoing dialogue between the Government, WFP, and ARC Ltd., making each insurance season unique. This collaboration has enabled the adaptation of financing mechanisms, particularly regarding the distribution of premiums between agricultural and pastoral policies. Although livestock farmers are in majority, strategic choices vary from year to year. The Government has consistently opted to prioritize the pastoral policy by allocating two-thirds of the premium to it, whereas WFP prefers a balanced distribution between pastoral and crop policies.

# MAURITANIA

## COUNTRY CONTEXT

In 2024, Mauritania faced a complex set of challenges. Economically, while growth has been bolstered by natural resource exploitation, the country remains susceptible to commodity price fluctuations and external shocks. Challenges brought by weather-related shocks, such as drought and desertification, further exacerbate water and food access problems, heavily impacting the most vulnerable populations. Politically, while the country has experienced some stability since the last elections, the issue of national unity and the inclusion of all societal components remains a major concern. Additionally, Mauritania, like other countries in the region, contends with security challenges due to the presence of extremist groups at its borders and the ongoing influx of refugees from Mali.

## COORDINATION WITH GOVERNMENT AND OTHER KEY ACTORS

Since the inception of the ARC programme in Mauritania, WFP and the Government have closely collaborated within a Technical Working Group dedicated to monitoring the rainy season. In 2024, four meetings were held to analyze satellite data through ARV and compare it with rainfall data from the national meteorological office as part of the development of seasonal bulletins.

## POLICY SIGNATURE

This year, like most countries in the Sahel, the Government did not subscribe to ARC, and only WFP subscribed to ARC Replica. The strategy was to purchase a single pastoral policy instead of two policies as in previous years, to maximize the chances of receiving a large payout in case of a trigger. This is the fifth consecutive time that a Replica policy has been signed in Mauritania since 2019.

## MONITORING AND EVALUATION

Since WFP subscribed only to a pastoral policy this year, the seasonal analysis primarily focused on the Normalized Difference Vegetation Index (NDVI), obtained through the ARV platform. The ARV satellite data allowed for monitoring the evolution of pastoral vegetation throughout the season. Concurrently, meteorological data from the national office complemented this analysis for a better understanding of the overall climatic context.

## 2024 KEY ACHIEVEMENTS



WFP Mauritania adopted a risk layering approach and adding a trigger-based contingency fund into its disaster risk financing initiatives. This ensures that the contingency fund will serve as an alternative to the ARC insurance product when a drought is detected at a more localized level for which the national policy will not trigger.



WFP and the Government have closely collaborated within a TWG dedicated to monitoring the rainy season. In 2024, four meetings were held to analyze satellite data through ARV and compare it with rainfall data from the national meteorological office. This year, CHIRPS was chosen by the Government as the dataset to use in the ARV software.



WFP Mauritania purchased to an ARC Replica policy for severe drought for the 2024/2025 season.

# NIGER



## WITH FINANCIAL SUPPORT FROM



Global Shield  
Financing  
Facility (GSFF)

## MACRO-LEVEL RISK FINANCING



255,258 people  
covered with  
macro insurance



US\$500,000 of  
insurance premium



US\$10,210,309 of  
sum insured

## DISASTER RISK FINANCING IN NIGER

To effectively address different levels of risks, WFP has begun adopting a risk-layering approach, combining different risk financing tools according to the frequency and severity of shocks. As a result, the DRF approach implemented by WFP Niger consists of solutions based on Climate Insurance (Agricultural Index Insurance, African Risk Capacity (ARC) and ARC Catastrophe Layer (Cat Layer) along with Anticipatory Actions. Collaboration with government technical services is crucial for climate services, monitoring of triggers, improvement of Early Warning systems and for the institutionalization of these approaches.

## 2024 PROGRESS

The Nigerian population faces a variety of crises and disasters linked to multiple climatic and ecological hazards. Weather-related shocks pose a significant threat, negatively impacting the environment and economy, and causing recurrent droughts and floods. The Government of Niger has identified drought as a major weather-related risk in its national adaptation plan, contributing to ecological changes in ecosystems. Drought has been a persistent issue in Niger for several decades, leading to numerous humanitarian disasters, poverty, marginalization, population migrations, and community tensions. Smallholder farmers and herders, who are most vulnerable to losing their livelihoods, are particularly affected.

In 2024, WFP Niger focused on implementing the ARC Cat Layer aligned with the AA programming, and on the preparation of Agricultural Index Microinsurance. In an effort to adopt the risk-layering approach and provide more well-rounded protection to Nigerians affected by weather-related shocks, WFP piloted a regional catastrophic insurance layer in the country. The aim is to integrate insurance solutions for less frequent, more extreme risks in complementarity with other risk financing tools to address more frequent, less severe shocks. This blend offers an opportunity to efficiently combine different financial instruments for different levels of risk, and to analyse the cost/benefit ratio of different combinations of risk financing instruments. This is also reliant on fostering a strong collaboration with the Government.

Additionally, to ensure that these solutions provide timely assistance in the event of a climatic shock, efforts have been initiated to integrate these approaches with each other starting at the planning and analysis levels and with the social protection system in the country.

# NIGER

## COUNTRY CONTEXT

Niger is a food-deficit country with a low GDP and is among the most exposed to weather-related shocks. Additionally, Niger's political landscape is very fragile, currently undergoing a military transition following the coup on July 26, 2023. The country faces growing insecurity and spillover conflicts from non-state groups in neighboring countries. Additionally, Niger contends with pervasive socio-cultural norms and high population growth, which further strain its socio-economic context. Overall, the country has a very low adaptive capacity.

## 2024 KEY ACHIEVEMENTS



In 2024, WFP piloted a regional catastrophic insurance layer in West Africa, covering up to three countries of which Niger was one (the other two were Burkina Faso and Mali).



WFP continued to collaborate with the Government of Niger and ARC Ltd to initiate a DRF approach that protects Nigerians for drought risk. Going forward, this collaboration, especially with government technical services, will be necessary for monitoring of triggers and improvement of Early Warning systems among other things.



Process of Preparing School Meals at the Awaridi Primary School Canteen, in Niger.  
WFP/Adamou Sani Dan Salaou



# SENEGAL



## WITH FINANCIAL SUPPORT FROM



Green Climate  
Fund (GCF)

## COUNTRY CONTEXT

Senegal, like other Sahelian countries, is highly vulnerable to weather-related shocks, including erratic rainfall patterns and sea-level rise. These impacts, which increasingly erode soils and degrade land, pose significant threats to agricultural production and livestock breeding, with negative consequences on the food and nutritional security of vulnerable populations.

## DISASTER RISK FINANCING IN SENEGAL

In Senegal, the integrated risk management approach emphasizes four main areas: risk reduction, including Food Assistance for Assets (FFA), market gardening, climate services, etc.), risk transfer (inclusive agricultural insurance), risk retention (savings) and prudent risk-taking (credit). This approach aims to enhance the adaptive capacity of food-insecure smallholder farmers and their families by increasing the resilience of their environment and reducing the risks and impacts of weather-related shocks. It also seeks to protect these farmers from the effects of weather-related shocks, giving them the confidence to invest in agricultural inputs and diversified income-generating activities (IGAs). Additionally, the approach focuses on increasing the resilience of smallholder farmers by gradually building their savings, improving their ability to produce and sell surpluses, and diversifying their income sources through IGAs. Furthermore, it enables the Senegalese Government to integrate adaptive practices into its security networks and social protection programmes.

## 2024 PROGRESS

2024 was an extension year for the GCF-funded R4 project. Having achieved most of its objectives in 2023, the focus for 2024 was on strengthening the sustainability strategy. The local insurer, *Compagnie Nationale d'Assurance Agricole du Sénégal*, (CNASS) organized and took charge of most of the training, awareness-raising, monitoring and evaluation activities, demonstrating their commitment to continuing the development of insurance activities even after the project's conclusion.

## MAIN ACTIVITIES

In 2024, the main activities focused on developing and updating indices to incorporate lessons learned from previous seasons. The project team and partners conducted training and awareness sessions for smallholder farmers to enhance their understanding of the products and insurance systems. CNAAS and the WFP team monitored the season's progress through field visits and data collection during and at the end of the season. The end-of-season report indicated the need for compensation and payouts in some regions.

## ACHIEVEMENTS

A total of 10,371 producers were insured, with 60 percent of them being women. The campaign results revealed that 5,298 households (47,682 people), 66 percent of whom were women, experienced losses, primarily due to reduced yields. Consequently, a total of US\$73,454 was paid out in compensation. An additional 256 households participated in the programme independently of WFP and also received a payout. As a result, the total payout for the season amounted to US\$80,405.

# SENEGAL

## INCLUSIVE RISK FINANCING



**93,339** people covered with inclusive insurance



**10,371** households insured (68 percent women)



**US\$129,662** of insurance premium



**US\$1,728,499** of sum insured



**US\$73,454** of payouts distributed, benefiting **47,682** people

## CHALLENGES AND LESSONS LEARNED

There is a recognized need to improve communication with farmers and beneficiaries. To enhance understanding and ownership of products and to improve beneficiaries' protection and their awareness of their rights, it is essential to adapt and simplify tools, ensuring they are available in local languages. This effort should be closely integrated with broader financial education programmes.

The product analysis indicates that the hybrid product offers superior coverage for farmers, thereby enhancing their resilience.

## OUTLOOK FOR 2025

The aim for 2025 is to cover 8,000 households through the Africa Integrated Climate Risk Management (AICRM) programme in the Sahel.

## 2024 KEY ACHIEVEMENTS



The total number of households owning an insurance policy was 10,371, of which 7,069 were women headed households. Of the 5,298 households that benefited from insurance payouts, 3,661 were women led households.



17,924 participants engaged in financial inclusion initiatives promoted by WFP, and a total of US\$191,000 of savings made by these participants. Additionally, US\$174,000 of loans accessed by participants of these financial inclusion initiatives.



The project team at WFP and partners conducted training and awareness sessions for smallholder farmers to enhance their understanding of the products and insurance systems.

# THE GAMBIA



## WITH FINANCIAL SUPPORT FROM



Adaptation Fund (AF), Green Climate Fund (GCF), Global Affairs Canada (GAC), Foreign, Commonwealth & Development Office (FCDO), and the Global Shield Financing Facility (GSFF)

## DISASTER RISK FINANCING IN THE GAMBIA

WFP Gambia invested in disaster risk financing through macro insurance, partnering with the Government under the ARC Replica initiative, initially to provide funding for early response in the event of severe drought only. Additionally, the need for a flood insurance product is being explored to enhance protection against the main weather-related risks in the country. Inclusive insurance programming is also available through two projects funded by the Adaptation Fund and Green Climate Fund. Furthermore, WFP is supporting the Government of Gambia as a pathfinder country for the Global Shield against Climate Risks. This involves linking insurance programming with social protection principles and system strengthening and addressing the gap analysis conducted in the country to ensure that WFP targets support where the Government requires it the most.

## 2024 INCLUSIVE RISK FINANCING PROGRESS

In 2024, a significant achievement for the country office was the partnership with ARC Ltd, particularly its involvement in the current season following the “No-objection” granted by the Central Bank of The Gambia (CBG) and the signing of the insurance contract. This partnership has enabled the protection of smallholder farmers against drought and rainfall deficits in The Gambia. The technical notes on the products designed were updated by CNASS and ARC Ltd. to ensure reliability and affordability, creating equal opportunities for all enrolled smallholder farmers.

WFP and its partners conducted sensitization activities for key stakeholders in the regions, including communities, insurance beneficiaries and community insurance ambassadors. These activities focused on capacity building to transfer knowledge and skills for a better understanding of the designed index product and its operating model. Additionally, WFP and ARC Ltd. supported CBG and the insurance ecosystem in finalizing draft regulations. WFP continues to play a critical role in providing technical assistance to the Government on index and microinsurance activities.

## Challenges and Lessons Learned

One of the major challenges was the lack of dedicated microinsurance regulation in The Gambia, which combined with limited experience among local insurance companies in offering weather-index insurance products, contributed to delays in initiating implementation.

Lessons learned from the implementation of the pilot will guide WFP’s ongoing engagement with both the Government and other relevant players in the microinsurance scheme.

# THE GAMBIA

## INCLUSIVE RISK FINANCING



**24,560 people**  
covered with  
inclusive insurance



**3,070 households**  
insured  
(28 percent  
women)



**US\$93,281** of  
insurance premium



**US\$518,406** of sum  
insured

## Outlook for 2025

In 2025, WFP Gambia plans to conduct a session to review lessons learned from the implementation of microinsurance programmes in the previous season. The country office will also sign a new contract with ARC Ltd. for the upcoming rainy season and organize capacity-building workshops for the insurance company, delivery channels as well as the field staff. Additionally, WFP aims to conduct planning and review workshops and provide financial literacy training for individual farmers. Furthermore, WFP will support the development of credit unions through field-level agreements (FLAs) and ensure the sensitization of Village Savings and Loans (VSL) groups and individuals on the benefits and limitations of microfinance and available options.

## 2024 KEY ACHIEVEMENTS INCLUSIVE RISK FINANCING



A total of 24,560 people were covered by insurance in 2024, with 3,070 households insured. Of these, 868 are women-led households and 2,202 are men-led households. The total premium paid amounts to US\$93,281, with a sum insured of US\$518,406.



67 people (47 men and 20 women) received climate service information which then reached up to 6,700 individuals through a community outreach programme.



A partnership model was developed for the establishment of an insurance framework in The Gambia highlighting distribution channels, aggregation and policy holder. This includes the Central Bank of The Gambia, Africa Risk Capacity Ltd, CASAI, CNAAS, Ministry of Environment and Natural Resources, Department of Water Resources. Technical products were designed through a participatory approach by consulting farmer organizations. Additionally, capacity-building plans were developed for key stakeholders to support the implementation of four modules.



Seven trainings were delivered to insurance ambassadors, communities, stakeholders, traditional communicators, radio producers etc. on Disaster Risk financing and information. A total of 2,894 people (1,383 Men and 1,511 Women) participated at both national and regional levels.



# THE GAMBIA

## MACRO-LEVEL RISK FINANCING



42,288 people covered with inclusive insurance



US\$400,000 of insurance premium



US\$2,325,851 of sum insured

## 2024 MACRO-LEVEL RISK FINANCING PROGRESS

In 2024, WFP The Gambia supported numerous disaster preparedness activities through the National Disaster Management Agency (NDMA). These included the revitalization of the Disaster Risk Reduction platform which plays a crucial role in the coordination of disaster preparedness and weather-related issues for the Government. Following this, the revised structure is also recommended in the Gambia's Disaster Risk Management Policy and obligation under the Economic Community of West African States (ECOWAS).

The WFP country office also supported the training of data collectors and volunteers from all eight regions of the country. The training included knowledge on digitalized data collection tools and methods to ensure timely availability of real time data during the season. WFP also supported the training and orientation of Regional Disaster Management Committees on targeting, their roles in Disaster Risk Reduction and enhanced their knowledge on the Disaster Risk Management Policy and Strategy. WFP also conducted a Training of Trainers at the national level.

In addition, WFP supported the review of the National Drought Operational Plan that is used to guide and support the implementation of macro insurance in The Gambia.

### Challenges and Lessons Learned

Following the El Niño payout in the southern Africa region, this year's last-minute change of pricing and policy wording from ARC caused extensive delays in this year's seasonal policy design and budget preparation from the Government side. However, WFP also had to work on last minute policy changes and risk transfer parameters design to make sure climate protection is still available for the vulnerable population.

### Outlook for 2025

WFP will continue to collaborate closely with the Government to ensure that the service offer aligns with national priorities. Preparatory work to explore a flood product will have a strong focus for 2025 as expressed by national counterparts. Additionally, integrating the programmes with social protection to improve the disbursement component will be a key priority, both within internal programme implementation and in support of broader institutional initiatives.

# THE GAMBIA

## COUNTRY CONTEXT

The Gambia, the smallest country in mainland Africa, has an estimated population of 2,422,712 (2024 census). Its economy is highly vulnerable to shocks and heavily reliant on remittances, tourism and agriculture. According to the IPCC (2020), The Gambia is among the top 100 countries most susceptible to weather-related shocks. In recent years, the country has faced increased frequency and intensity of droughts, floods, coastal erosion, windstorms, high temperatures and erratic rainfall. Additionally, some regions continue to suffer from serious bush and domestic fires, land degradation due to deforestation for commercial or domestic use, flash floods, pest infestations and alternating dry spells. These challenges severely impede the country's sustainable development and poverty eradication efforts.

## 2024 KEY ACHIEVEMENTS MACRO RISK FINANCING



WFP The Gambia contributed to various disaster preparedness initiatives in collaboration with the National Disaster Management Agency (NDMA).



WFP The Gambia assisted in training data collectors and volunteers, focusing on digital data collection tools and methods to ensure the timely availability of real-time data throughout the season.



A community market in The Gambia, where a variety of vegetables, fish, and meat are sold.

WFP/Mamadou Jallow





# STORIES FROM THE FIELD

## Restoring hope in the face of crisis in Burkina Faso: Guire's story of WFP's support

Guire Salamata, a 63-year-old farmer from Malou, Burkina Faso, is a living testament to the perseverance of communities facing the harshest of crises. Her household has 12 family members. They live on a small two-hectare field where she grows sesame, cowpeas and millet. But the reality of farming in a region plagued by insufficient rainfall

hit hard this past August. Despite her best efforts, the crops she planted were devastated, leaving her and her family in deep distress.

"We cultivated, but the rains were insufficient," she says, her voice heavy with the weight of a season lost. To support the family, Guire and her children sell rice and fried fish by the roadside. But this market, once a lifeline, has shrunk significantly due to the worsening security situation. "Many people had to leave the area," she explains, pointing to the leftovers from her sales the day before. "But if you give up, what else will you do?"

Just when the weight of uncertainty seemed unbearable, WFP stepped in to offer life-saving



support, thanks to the ARC Replica payouts. Guire received two bags of rice, 1.5 bags of cowpeas, three jerrycans of oil and two bags of millet. “WFP supported us when we needed it most, and it relieved us,” Guire shares, expressing deep gratitude. ARC Replica—an innovative approach to disaster risk financing—enables WFP to finance its life-saving operations when disasters trigger an insurance payout. This mechanism allows WFP to protect the most vulnerable during times of crises and disasters, ensuring timely support when it is needed most. ARC Replica also supports governments to improve their capacities to plan, prepare for, and respond to disasters caused by extreme weather events. In Burkina Faso, the ARC Replica payout of US\$2.6 million enabled WFP to provide assistance to over 37,000 people with three months of in-kind food assistance to help them cope with the impacts of the crisis.

Despite the challenges, Guire remains hopeful. “I believe that if the rainy season is good, it will improve our production,” she says, holding onto the belief that better conditions will allow her to rebuild. However, she acknowledges that the land is struggling too. “Our lands are degraded, and we will need support for the production of organic manure to improve our agricultural production.”

Guire’s story is a powerful reminder of the crucial role that WFP plays in providing support to those in the most desperate circumstances, not just offering food, but restoring hope and enabling communities like hers to begin the long process of recovery and rebuilding. Through early and targeted assistance in moments of crisis, WFP helps families get back on their feet, empowering them to stand strong again, even in the worst times of crisis. Through its disaster risk financing programmes, WFP is helping to close the crisis protection gap, ensuring that vulnerable families, like Guire’s, receive the vital support they need when disaster strikes. By utilizing tools like insurance, WFP ensures that resources are available to protect the most at-risk populations, strengthening their resilience and offering protection in times of uncertainty.

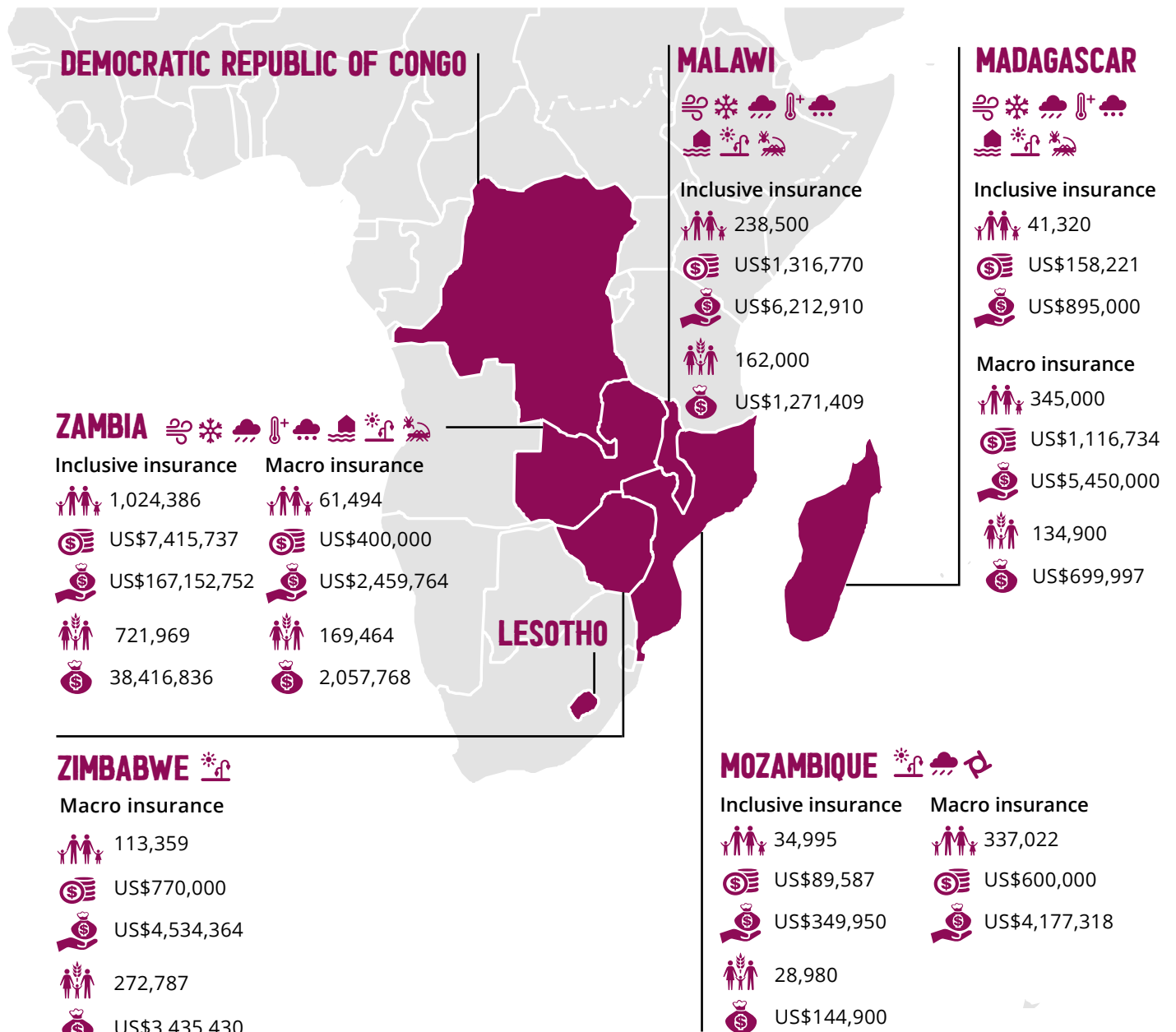


**WFP SUPPORTED US WHEN WE NEEDED IT MOST, AND IT RELIEVED US**

**Guire Salamata,**  
*ARC Replica beneficiary, receiving WFP assistance following the drought.*



# SOUTHERN AFRICA



## LEGEND

	Number of people covered by insurance		Number of people benefiting from insurance payouts		Pests and diseases		Excess rainfall		Cold spell
	US\$ value of premiums		US\$ value of payouts triggered and/or disbursed in 2024		Cyclone		Flood		Heatwave
	US\$ value of sum insured		Current countries		Expansion countries		Hail		Drought
					Frost				
					Violent wind				
					Frost				

# DEMOCRATIC REPUBLIC OF THE CONGO



## WITH FINANCIAL SUPPORT FROM



World Bank

## COUNTRY CONTEXT

The agricultural sector in the DRC currently accounts for about 20 percent of its GDP and employs about 70-75 percent of the economically active population. Out of a total population of 81.3 million, the DRC has about 13 million rural farmers, with an average farm size of 1.6 hectares. Rural households derive more than 80 percent of their income from agriculture, making agricultural productivity growth a necessary condition for reducing rural poverty and food insecurity in the DRC. The agricultural sector in the DRC is particularly exposed to weather-related and other external shocks, as droughts, floods and other extreme weather events are expected to increase in frequency and severity.

According to the results of the September 2024 IPC Acute Food Security analysis, the DRC remains in an acute food crisis with more than 22 percent of

(continue...)

## DISASTER RISK FINANCING IN DEMOCRATIC REPUBLIC OF THE CONGO

WFP has provided technical support to the Democratic Republic of the Congo (DRC) in the development of agricultural insurance through its National Agricultural Development Programme (PNDA). This support has resulted in the design of the insurance product and the use of tools for collecting historical agro-climatic data in the provinces of Kasai, Kasai Central and Kwilu. The Government, with the support of the World Bank Group, intends to implement a risk transfer approach in 16 provinces and the promotion of climate-smart agriculture.

WFP is leveraging its wide-ranging experience and comparative advantages to provide technical assistance to the government in enhancing the risk transfer component of the PNDA. WFP is working with the members of the task force as well as all other relevant stakeholders to achieve the following objectives: i) improve the technical capacity of key members of the Task Force, in particular the agencies related to meteorological monitoring in the DRC, to increase technical skills for data collection, management of index insurance products, among others; ii) increase awareness among DRC Government extension staff and farmers (at provincial and field levels) on agricultural risk management.

## 2024 PROGRESS

In 2024, activities included conducting analysis on the second data collection carried out in two priority provinces. This was part of the process of setting up the agricultural insurance index on behalf of the PNDA. A technical note for the insurance product was drafted and submitted, which included the results of the analysis of climatic data and agricultural seasons (maize and cassava growing seasons) in three provinces: Kwilu (Bulungu), Kasai (Kamonia), and Kasai Central (Demba) and allowed for product validation.

The post-season evaluation of the pilot insurance product was conducted. The index insurance product, supported by WFP, was officially launched on January 23, 2025, in Kinshasa, and the policy was signed with the insurance consortium to cover the short agricultural season. In the dynamic of WFP technical assistance to the PNDA and Government, a post-season assessment exercise is planned at the end of the season to measure and evaluate the relevance of the product.

A workshop was organized, co-facilitated by the WFP and the World Bank, culminating in a report detailing the development of an agricultural risk transfer solution in the DRC. It is worth noting the involvement of several national and regional players in the insurance sector. Among others, the West Africa Insurance Regulator (CIMA),

# DEMOCRATIC REPUBLIC OF CONGO

## COUNTRY CONTEXT

*... continue)*

the population in crisis or emergency situations. This is the result of recent shocks that have affected an already vulnerable population (more than 40 percent of the population is chronically food insecure according to the IPC Chronic Analysis in 2023). Without emergency interventions, many households will be unable to meet their food needs in the short term, adopting strategies that will weaken production and the local economy, while compromising their food security and well-being.

Furthermore, the climate-related disasters of 2024 contributed to maintaining this alarming situation. A very high rate of food insecurity is observed in areas that suffered flooding this year, such as Tshopo and Tanganyika. Disasters caused by natural hazards and civil insecurity have led to consecutive years of below-average harvests and seriously affected the food system. Many households resort to the market to purchase the majority of their food due to significantly reduced access to their own agricultural, fishing or livestock production activities. The severe market and supply disruptions further limit income-earning opportunities and cause soaring prices for essential food and non-food items.

ARC Ltd, Pensions and Insurance Authority (PIA) of Zambia, Insurance Association of Malawi (IAM), A2ii, ZepRe, and the Reserve Bank of Malawi participated and shared their experiences.

The activities of the MUSO (mutual solidarity societies) are part of the financial empowerment of households located in the provinces of North and South Ubangi. Furthermore, Rapid Rural Transformation (RRT) activities aim to support the economic activities of rural communities. WFP has completed the construction and installation of eight RRT sites in the provinces of Tanganyika, Kasai, Kasai Central and Kasai Oriental, as well as the city of Kinshasa.

At these sites, local communities generate approximately US\$200 per month through various economic activities carried out via mini-grids providing electricity and water. These activities include the development of agricultural products such as cassava, the production of by-products such as fuel briquettes from cassava branches, and the development of local technology and electronics centers.

## CHALLENGES AND LESSONS LEARNED

High insurance premiums make it difficult for small farmers to afford coverage, necessitating annual cost evaluations. Low awareness of insurance products among farmers limits adoption, highlighting the need for effective extension campaigns. Inadequate infrastructure and financial barriers further isolate farmers from financial services. Additionally, women face exclusion due to lack of guarantees and socio-cultural factors.

## 2024 KEY ACHIEVEMENTS



A workshop co-facilitated by WFP and the World Bank included national and regional stakeholders in the insurance sector, such as the West Africa Insurance Regulator (CIMA), ARC Ltd, Pensions and Insurance Authority (PIA) of Zambia, Insurance Association of Malawi (IAM), A2ii, ZepRe, and the Reserve Bank of Malawi.



Insurance product technical note drafted and validated, including analysis of climatic data and agricultural seasons.

# MADAGASCAR



## WITH FINANCIAL SUPPORT FROM



Foreign,  
Commonwealth  
& Development  
Office (FCDO), Food  
System Resilience  
Programme -World  
Bank, Global Affairs  
Canada (GAC),  
Kreditanstalt fuer  
Wiederaufbau  
(KfW), Norwegian  
Agency for  
Development  
Cooperation  
(NORAD), U.S.  
Agency for  
International  
Development  
(USAID)

## DISASTER RISK FINANCING IN MADAGASCAR

In Madagascar, the Government has made disaster risk management one of the main pillars of the General State Policy and has established institutional arrangements to ensure better mainstreaming of climate risk management. WFP Madagascar's risk finance approach includes a variety of tools such as microinsurance, macro insurance and trigger-based contingency funds. These tools are integrated into WFP programmes to enhance resilience and support vulnerable populations. For instance, the country office has been implementing microinsurance as part of an integrated risk management approach since 2020, providing financial protection to smallholder farmers through linkages to the Smallholder Agricultural Market Support programme. Macro insurance activities began in 2021, with an agreement signed between WFP, the Government of Madagascar and the African Risk Capacity (ARC) Agency to launch the ARC Replica partnership in the country. The country has been able to strengthen its resilience to extreme weather hazards by transferring its drought and tropical cyclone risks to the pan-African risk pool of ARC. Trigger-based contingency funds and macro insurance are crucial for emergency response, ensuring rapid assistance during crises. Additionally, these risk financing tools are connected to school feeding, nutrition, national social protection and cash-based transfers (CBT) programmes, ensuring a comprehensive safety net for communities.

## 2024 INCLUSIVE RISK FINANCING PROGRESS

In 2024, the microinsurance programme objective was to continue providing access to insurance to smallholder farmers in the South of Madagascar. Activities focused on monitoring the progress of current season (wet and dry season), field audits and preparation of possible payout for area yield index insurance. In addition, the country office worked with its partners to update the insurance product, switching to a weather index with African Risk Capacity model, as well as setting up the operational processes and building the insurer's capacity.

During the 2023/24 season, over 41,320 people benefitted from microinsurance coverage. Following drought conditions during the season, insurance payouts totaling US\$47,387 were triggered, benefitting approximately 31,235 people, which will be distributed in early 2025. Moreover, over 41,320 smallholder farmers were insured for the 2025 dry season.



# MADAGASCAR

## INCLUSIVE RISK FINANCING



**41,320 people**  
people covered  
with  
inclusive insurance



**8,264 households**  
insured  
(62 percent  
women)



**US\$158,221 of**  
insurance premium



**US\$895,000 of sum**  
insured

## Challenges and Lessons Learned

Key challenges and lessons from implementing microinsurance in the country include:

- The insurance company requires additional capacity strengthening to ensure understanding of its role in the integrated climate risk management approach and to design its own business model for providing microinsurance products.
- A sustainable and inclusive product distribution model needs to be explored and developed further.
- The presence of implementing partners in the field is not sufficient for reaching the most vulnerable and remote populations.

## 2024 KEY ACHIEVEMENTS INCLUSIVE RISK FINANCING



41,000 people are expected to be covered with meso-level insurance with weather index product instead of area yield index insurance for 2024/2025 season.



The meso-insurance scheme benefited farmers under the Home-Grown School Feeding (HGSF) programme. An implementation plan has been developed to respond in the event of drought.



A bean yield in Amboasary, Madagascar.

WFP/Jaona Rafanomezantsoa

# MADAGASCAR

## MACRO-LEVEL RISK FINANCING



**345,000 people**  
covered with  
macro insurance



**US\$1,116,734** of  
insurance premium



**US\$5,450,000** of  
sum insured



**US\$699,997** of  
transfers from  
the trigger-based  
contingency fund,  
benefitting  
134,900 people

## 2024 MACRO-LEVEL RISK FINANCING PROGRESS

In 2024, WFP continued to develop its macro-level disaster risk financing solutions, providing rapid financial assistance and strengthening the resilience of vulnerable communities to El Niño-induced droughts. During 2024, the Contingency Fund mechanism was triggered, supporting WFP to mobilize an early response that helped 134,900 drought-affected people in 24 communes across four districts for the 2023/2024 season.

The ARV model was revised to shift the sowing window as well as the localities that were to be covered. There are still gaps related to data collection on the most affected years and vulnerability of communities that could help in developing and understanding the performance of the ARV model.

WFP collaborated with ARC and the Government's Emergency Prevention and Management Support Unit (*Cellule de Prévention et d'appui à la Gestion des Urgences – CPGU*) to convene workshops for selecting the RTPs for both the drought and tropical cyclone policies. During each meeting, policy dialogues were held to better understand the considerations of the different needs of women, men, boys and girls while responding to crises.

In November, the Government updated the operational plan for the ARC drought policy, with an additional political dialogue convened to ensure commitment of all the parties in the process.

### Challenges and Lessons Learned

There were challenges in customizing ARV due to time constraints, particularly when preparing for the TWG workshops. This resulted in the most relevant participants not always being present, which required convening multiple sessions to ensure there was comprehensive understanding of the topics. This is why WFP's technical support is crucial to provide additional guidance to the TWG and ensure the selection of the most suitable Risk Transfer Parameters.

It is essential to establish a coordination mechanism between ARC, the CPGU and WFP for effective preparedness and providing the additional guidance required for the TWG and selection of the most suitable RTPs.

A preference for a tripartite Memorandum of Understanding (MoU) rather than, or in addition to, a bilateral agreement between the Replica partner and the Government was identified. The Government emphasized the need for a binding legal document exclusively with the Replica partner to ensure complementarity and coordination. Consequently, an MoU with CPGU will be drafted soon to formalize the partnership.

# MADAGASCAR

## COUNTRY CONTEXT

Madagascar is a low-income, least-developed country facing multiple development challenges. More than half of the population lives in poverty, and at least 5.4 million Malagasy suffer from chronic food and nutritional insecurity. The country is facing increasingly frequent climatic shocks. Droughts and tropical cyclone are the main drivers of recurring food crises, particularly in the southern regions. In 2024, the impacts of tropical storms and cyclones, as well as low agricultural production, were compounded by the crisis in Ukraine, affecting food, fuel and fertilizer prices, hampering production and access to food. These extreme events jeopardize communities' livelihoods, exacerbate food insecurity and hamper economic development. Economically, the country struggled with inflation and a widening fiscal deficit, exacerbated by global economic pressures. Politically, Madagascar experienced instability, with frequent protests and changes in government leadership. These factors collectively posed significant risks to Madagascar's development and stability, highlighting the need for robust risk management strategies to mitigate the impacts of such shocks.

## Outlook for 2025

In 2025, WFP will continue its collaboration with the Government to enhance capacity through the CPGU, operationalize the TWG, and prepare for the 2025-2026 season.

Additionally, a key objective for 2025 is to integrate different considerations for women, men, girls and boys into disaster risk management. This will involve collecting sex-disaggregated data and updating the country's vulnerability profile during the RTP selection.

## 2024 KEY ACHIEVEMENTS MACRO-LEVEL RISK FINANCING



Two policy dialogues were convened to build the capacity of the TWG for understanding how to respond to the different needs of women, men, girls and boys.



US\$699,997 was disbursed from the Contingency Fund mechanism, benefiting 134,900 people against drought.



WFP provided technical and administrative support for RTP selection and ARV customization workshops, as well as reviewed vulnerability datasets to support integration into the RTPs of ARC policies.



WFP Madagascar signed and purchased two macro-level drought and cyclone insurance policies for the 2024/2025 season.



A female farmer in Amboasary, Madagascar.

WFP/Mathieu Dubreuil



# MALAWI



## WITH FINANCIAL SUPPORT FROM



Foreign, Commonwealth & Development Office (FCDO), Swiss Agency for Development and Cooperation (SDC), and Federal Ministry for Economic Cooperation and Development (BMZ), Norwegian Agency for Development Cooperation (Norad)

## INCLUSIVE RISK FINANCING



238,500 people covered with inclusive insurance



53,000 households insured (60 percent women)



US\$1,316,770 of insurance premium



US\$6,212,910 of sum insured



US\$1,271,409 of payouts distributed, benefiting 162,000 people

## DISASTER RISK FINANCING IN MALAWI

In Malawi, WFP implements an Integrated Risk Management Programme (IRMP) which was built on the existing Food Assistance for Assets (FFA) activities. IRMP's integrated risk management approach combines three main activities: i) strengthen access to timely and tailored climate and weather information through the development of climate services; ii) mitigate risk through asset creation and index-based microinsurance coverage; iii) improve access to financial services through micro credit and savings. Integration of these activities followed a phased approach, both in terms of geographical targeting and different project components implemented to ensure greater benefits for vulnerable communities. IRMP is fully aligned with relevant national policies and strategies on disaster risk management, agriculture, social protection and resilience.

## 2024 INCLUSIVE RISK FINANCING PROGRESS

In collaboration with the Ministry of Agriculture, WFP has supported integration of microinsurance into government programmes. This effort began with the initiation of a feasibility study on agricultural insurance in Malawi, which is currently ongoing. The study aims to assess the viability and potential impact of agricultural insurance on the farming community.

WFP Malawi facilitated the registration, verification, premium collection, and validation processes for beneficiaries for the 2023/24 agricultural season. Through these efforts, approximately 54,000 farmers were successfully registered for insurance, ensuring they have access to essential coverage. WFP also contributed to the product design and development of education materials for raising awareness of participants in the insurance activities. In 2024, insurance claims totaling US\$1.27 million were distributed to 35,701 farmers, providing them with much-needed financial support.

To further enhance these initiatives, an end-of-year insurance meeting with various stakeholders was organized. This meeting resulted in valuable recommendations for improving and expanding crop insurance for the 2024/25 agricultural season.

## CHALLENGES AND LESSONS LEARNED

One of the primary challenges faced is the high cost of insurance premiums, which are approximately US\$30. This makes crop insurance products less accessible to most farmers. To address this issue, WFP is collaborating with the Government and the private sector to explore microinsurance product options that are tailored to different farmers and are more affordable.



# MALAWI

## COUNTRY CONTEXT

In Malawi, the importance of crop insurance is growing as farmers face increasingly frequent and severe weather-related shocks. However, many smallholder farmers are still not using crop insurance, largely due to the lack of knowledge and information sensitization on crop insurance, further. Farmers cannot easily obtain credit and have restricted access to weather information and markets.

The Government of Malawi and different partners are coming in to offer support. They're developing measures to renew and enhance crop insurance and improve farmers' capacity to endure weather-related risks. As weather patterns are shifting, agricultural production in Malawi has become increasingly more uncertain. Crop insurance is going to be critical for allowing farmers to better manage the consequences of droughts, pests, and other weather-related risks.

Another significant challenge is the limited understanding many farmers have of crop insurance. Often, they view it as an investment with expected annual claims, regardless of actual losses. To shift this perception and increase the adoption of crop insurance, it is crucial to enhance educational efforts about its benefits and how it functions. By doing so, farmers can begin to see crop insurance as a risk management tool, which can help in spreading the risk more effectively.

## OUTLOOK FOR 2025

The feasibility study for the sustainable implementation and upscaling of agricultural insurance in Malawi will be finalized to support government plans and efforts to integrate insurance into national programmes. Additionally, the SheCan project will be scaled up with a focus on increasing beneficiary numbers and expanding the loan portfolio. Collaboration with the Government and private sector will be strengthened to explore microinsurance product options tailored for different farmers, making them more affordable, including the option of bundling climate insurance with other products and services.

## 2024 KEY ACHIEVEMENTS



Supported the operations of 3,063 savings and loan groups to increase rural access to financial services, accumulating a savings amount of US\$522,561.



Under the SheCan Project, reached 503 VSL groups with productive loans to smallholder farmers and micro-entrepreneurs, that are tailored to women needs. Disbursed a total of US\$211,000 to 8,868 farmers (they are 7,710 youth and 1,506 men) through microfinance institutions.



Strengthened the capacity of Village Savings and Loans (VSL) groups through trainings on financial literacy, business management, and group dynamics, reaching over 24,070 farmers, with 78 percent (18,853) being women and two percent being youth.

# MOZAMBIQUE



## WITH FINANCIAL SUPPORT FROM



Green Climate  
Fund (GCF), Korea  
International  
Cooperation  
Agency (KOICA),  
Global Affairs  
Canada (GAC),  
U.S. Agency for  
International  
Development  
(USAID)

## DISASTER RISK FINANCING IN MOZAMBIQUE

WFP Mozambique employs a risk-layering approach, combining different risk financing tools to protect the most vulnerable from weather-related shocks of different magnitudes. These tools are integrated into wider WFP programmes for resilience-building and crisis response. Inclusive risk financing is integrated into resilience-building and broader disaster risk reduction programmes. Macro insurance for tropical cyclones and drought is used to assist people in the immediate aftermath of a disaster, and the payout is integrated into the country office's emergency response activities. Anticipatory action is integrated, depending on the specific risk and action, into resilience-building and emergency preparedness and response activities, as well as social protection for government-led anticipatory action design and implementation.

## 2024 INCLUSIVE RISK FINANCING PROGRESS

In 2024, WFP supported 6,999 smallholder farming households to access Weather Index Insurance policies in Sofala and Tete provinces. The insurance policies provided protective cover against the peril of rainfall deficit during the agricultural season (November – March).

Based on the experiences from the previous years, for the 2024-25 agricultural season, the distribution modality shifted to bundling insurance with agricultural seeds. This model leverages farmers' willingness to purchase improved seeds, adding the additional cost of the insurance premium with the seeds, increasing farmers uptake and willingness to pay for insurance through this bundled model. This has the added benefit of encouraging farmers to protect their investment through insuring the improved seeds.

Due to the challenges faced by farmers during the previous El Niño season, a majority of farmers were unable to accumulate savings during the previous year, creating hurdles for farmers to pay for the seeds upfront. To purchase the seeds bundled with insurance, some farmers secured loans from their savings groups or committed to paying their contribution at a later stage, once they harvest the produce from the current season.

## Challenges and Lessons Learned

Among the key lessons from the distribution approach is that combining insurance with agricultural inputs encourages farmers to purchase insurance. However, there is a need for better integration among the stakeholders in the value chain, particularly with agricultural input distributors.

# MOZAMBIQUE

## INCLUSIVE RISK FINANCING



**34,995 people**  
covered with  
inclusive insurance



**6,999 households**  
insured  
(61 percent  
women)



**US\$89,587** of  
insurance premium



**US\$349,950** of sum  
insured



**US\$144,900** of  
payouts  
distributed,  
benefiting  
28,980 people

Village Savings and Loans (VSL) groups have proven to be a vital lifeline for smallholder farmers in rural communities with limited access to the formal financial system. This was particularly evident during the previous agricultural season when farmers' yields were severely impacted by the El Niño-induced drought. Many farmers turned to VSL groups for financial support, which provided them with loans for income-generating activities outside of agriculture, purchasing merchandise for resale, or even acquiring essential food items.

WFP Mozambique also supported farmers with literacy training to enable access to loans for productive investments. The training focused on helping farmers develop simple business plans, emphasizing key concepts such as revenue, costs, and profits. Additionally, farmers were trained on the benefits of using share-out funds received at the end of the saving cycles to invest in productive assets, like livestock, rather than consuming all the financial gains from the saving cycle.

### Outlook for 2005

In 2025, WFP Mozambique will continue to promote the adoption of microinsurance bundled with agricultural inputs. Drawing on the lessons learned and best practices from previous efforts, the aim is to replicate the seed-bundled model in other regions and integrate it with other WFP programmes. The insights gained will be shared with the Government and key stakeholders to facilitate the scaling up of agricultural microinsurance across the country. By leveraging these lessons and best practices, the initiative seeks to expand access to insurance for smallholder farmers and enhance the resilience of rural communities nationwide.

## 2024 KEY ACHIEVEMENTS INCLUSIVE RISK FINANCING



Following the negative impacts of the El Niño-induced drought, 28,980 people benefitted from insurance payouts totalling US\$144,900.



WFP Mozambique unlocked access to seed-bundled insurance to 34,995 people in 2024.

# MOZAMBIQUE

## MACRO-LEVEL RISK FINANCING



**337,022 people**  
covered with  
inclusive insurance



**US\$600,000** of  
insurance premium



**US\$4,177,318** of  
sum insured

## 2024 MACRO-LEVEL RISK FINANCING PROGRESS

The Government of Mozambique received an ARC payout for drought in the 2023/2024 season, with WFP providing technical assistance to the National Institute for Disaster Risk Reduction and Management (Instituto Nacional de Gestão e Redução do Risco de Desastres - INGD) in implementing the drought response, including support in drafting the Final Implementation Plan (FIP) and developing beneficiary targeting strategies.

For the 2024/2025 season, the Government has purchased drought coverage and requested WFP to purchase ARC Replica coverage for both drought and tropical cyclones. In response, WFP has facilitated discussions with the Technical Working Group (TWG) to define the Risk Transfer Parameters (RTPs) for both hazards.

On December 15th 2024, Cyclone Chido made landfall in Mozambique, triggering the maximum ARC Replica payout of US\$3.1 million for WFP. The FIP was finalized in coordination with the TWG immediately after the payout information was received, and the funds were disbursed in less than two weeks after landfall, distributed in the first weeks of 2025, enabling timely assistance and ensuring that WFP could provide critical food assistance to the most affected populations.

In 2024, WFP Mozambique conducted a field assessment on how to include considerations for women, men, girls and boys within humanitarian assistance, aiming to enhance how these groups are reached in future ARC Replica programmes. The assessment aimed to provide evidence on the vulnerabilities of both men and women to disaster risks, their capacities for resilience to disaster shocks, and the availability of disaster risk financing systems and services, including the participation of women and men. The exercise was conducted by WFP in collaboration with the National Institute for Disaster Risk Reduction and Management (INGD), the Development Division for Arid and Semi-Arid Areas (DARIDAS), and the Social and Environmental Safeguards Division (DSSA).

A total of 28 Focus Group Discussions (FGDs) were carried out in the Chemba and Morrumbala districts, located in Sofala and Zambézia provinces, respectively. These FGDs engaged diverse groups, including youth, community leaders, adult women, and adult men. In addition, Key Informant Interviews (KIIs) were conducted with district government officials and community leaders to gather further insights



# MOZAMBIQUE

## COUNTRY CONTEXT

The impacts of increasingly frequent and severe weather underscore Mozambique's exposure to recurrent shocks, including droughts, floods, and storms, further heightening existing vulnerabilities. Extreme weather events compound existing vulnerabilities and regularly disrupts food systems. 60 percent of the population lives in coastal areas affected by rapid onset disasters, and two thirds of Mozambicans live in rural areas, with 90 percent of rural people being dependent on rainfed, small-scale agricultural production for survival. Arid and semi-arid areas are the most vulnerable to droughts, combined with soil degradation and marked loss of vegetation. As a consequence, low agricultural productivity and food deficits are common among households.

Among the key findings related to access to disaster risk financing and the use of assistance in communities, women tend to prefer in-kind assistance or commodity vouchers from local retailers, as this reduces travel time, while men generally favor cash-based transfers (CBT). However, men also recognize that in-kind support would be more beneficial for enhancing the family's food security. In addition, limited community support systems along with restricted access to identification documents and access to formal financial institutions, were identified as significant challenges. Findings from the assessment will be integrated into action plans and contingency plans will be revised accordingly to reflect the insights and considerations from the analysis.

## 2024 KEY ACHIEVEMENTS MACRO-LEVEL RISK FINANCING



WFP has facilitated discussions with the Technical Working Group (TWG) to define the Risk Transfer Parameters (RTPs) for both drought and tropical cyclone hazards.



WFP conducted a field assessment on how to include different considerations for women, men, girls and boys within humanitarian assistance.



Smallholder farmers taking part in an insurance payout ceremony in Mozambique.  
WFP/Ana Mato Hombre

# ZAMBIA



## WITH FINANCIAL SUPPORT FROM



Global Affairs Canada (GAC), Global Shield Financing Facility (GSFF), Swiss Agency for Development and Cooperation (SDC), U.S. Agency for International Development (USAID)



Puteho Mutelo, 23, a smallholder farmer of Nalikolo village in Shangombo district in Western province is a beneficiary of the ARC replica insurance payout  
WFP/Nkole Mwape

## DISASTER RISK FINANCING IN ZAMBIA

WFP Zambia has been providing technical assistance to the Government to support the strengthening of national capacities and systems for disaster risk financing and insurance. This includes technical assistance to the inter-ministerial technical working group (TWG) on microinsurance led by the Ministry of Agriculture, under the Farmer's Input Support Programme (FISP), a Government input subsidy programme that supports over one million smallholder farmers. The Country Office further partnered with the private sector under the Macro resilience seed bundling project to promote uptake of insurance bundled with seeds. WFP Zambia implements Macro-level risk financing through purchasing an ARC Replica insurance policy for drought from Africa Risk Capacity (ARC) to complement the government's coverage. WFP Zambia also supports financial inclusion through SheCan, a blended finance initiative where mature savings groups are supported to access finance from formal financial institutions. In 2024, the SheCan was scaled up to 26 districts from the initial eight districts, targeting 17,200 beneficiaries.

## 2024 INCLUSIVE RISK FINANCING PROGRESS

In 2024, WFP Zambia continued providing technical assistance to the Government through the TWG on microinsurance under FISP, the national input support programme that provides insurance cover to over one million smallholder farmers across the country. During the year, a total of 721,969 smallholder farmers under FISP and 335 (201 women and 134 men) under R4 received a total of US\$34.4 million in insurance payouts. This was the largest index payout to smallholder farmers from a single intervention, as well as the highest number of farmers to receive index payout in Africa. WFP also partnered with the private sector to promote insurance uptake through bundling with agricultural inputs under the Macro resilience initiative led by ACRE Africa. The initiative saw over 14,867 smallholder farmers accessing bundled insurance with a payout of US\$28,504.

WFP monitored and profiled 75,053 smallholder farmers in 3,656 existing Village Savings and Loan Associations (VSLAs) to assess how they could be strengthened with relevant interventions. The monitoring revealed that these participants had saved US\$2,171,601 and issued loans from the savings to a cumulative value of US\$2,461,276. This was despite the severe El Niño-induced drought experienced in the country. In addition, WFP in collaboration with Ministry of Agriculture and Ministry of Community Development and Social Services conducted trainings to support formation of new savings groups as well as trainings in business development skills to ensure the sustainability of the VSLAs. Consequently, 1,326 new groups were formed benefiting 22,477 members (84 percent women), while 550 VSLA animators were

# ZAMBIA

## INCLUSIVE RISK FINANCING



**1,024,386** people covered with inclusive insurance



**US\$7,415,737** of insurance premium



**US\$167,152,752** of sum insured



**US\$38,416,836** of payouts distributed, benefiting **721,969** people



**75,644** participants (77 percent women) engaged in financial inclusion initiatives promoted by WFP

trained in business development skills, focusing on selection, planning and management of income generating activities. Efforts continued to create linkages with the private sector to enable access to finance and other relevant technologies with 454 savings groups (10,627 smallholder farmers) under R4 accessing US\$273,534 in formal financing. To improve access to formal finance and promote financial inclusion for savings groups, WFP scaled up the SheCan Project from eight to 26 districts targeting 17,200 smallholder farmers, at least 70 percent women, aiming to increase access to finance and enhance financial literacy.

## Challenges and Lessons Learned

A major lesson learnt was that increasing insurance uptake requires bundling insurance with other products that meet the needs of smallholder farmers, such as inputs and credit, as the smallholder farmers are yet to really appreciate the value of insurance on its own. Nevertheless, the farmers under R4 that purchased insurance on their own showed that with growing intensity of weather variability and sensitization, smallholder farmers are increasingly willing to purchase insurance. In addition, the large payout of US\$34.4 million to smallholder farmers in 2024 highlighted the importance of microinsurance as a critical Disaster Risk Financing tool for countries prone to weather-related shocks.

## Outlook for 2025

In 2025, WFP will be scaling up the index-based livestock insurance that was piloted with IFAD in 2023 to cover over 600,000 livestock farmers as well as engage with partners for scaling up the seed bundling insurance to increase uptake of insurance by smallholder farmers.

## 2024 KEY ACHIEVEMENTS INCLUSIVE RISK FINANCING



**721,969** smallholder farmers under FISP and **335** under R4 received a total of **US\$34.4** million in insurance payouts.



**1,326** new VSLAs were formed while **3,656** existing VSLAs participated in financial inclusion activities.



**3,686** individuals including savings group members and government staff were trained in financial and digital literacy



**US\$2,171,601** was saved while **US\$2,461,276** was issued as loans from savings. **US\$273,534** formal financing was accessed.

# ZAMBIA

## MACRO-LEVEL RISK FINANCING



**61,494 people**  
covered with  
inclusive insurance



**US\$400,000** of  
insurance premium



**US\$2,459,764** of  
sum insured



**US\$2,057,768** of  
payouts  
distributed,  
benefiting  
169,464 people

## 2024 MACRO-LEVEL RISK FINANCING PROGRESS

In 2024, WFP Zambia, with relevant partners who constitute the ARC Technical Working Group, participated in the Risk Transfer Parameters (RTPs) selection for the 2024/2025 season following presentation of the RTPs for Zambia by ARC Ltd. During the year, both WFP and the Government received payouts from ARC for the policies purchased for the 2023/2024 season. WFP received an ARC Replica insurance payout of US\$3.3 million while the Government received US\$9.9 million. WFP utilized the payout to provide six months of food assistance through cash-based transfers to 169,494 people affected by drought in eight worst drought-affected districts of Western Province, contributing to strengthened household resilience. The eight districts supported included Sioma, Shangombo, Senanga, Sikongo, Nalolo, Kalabo, Luampa and Nkeyema. WFP's response focused on the provision of immediate food and nutrition needs to 164,494 crisis affected people in eight worst affected and hard-to-reach districts in Western province. This was done to complement the Government's efforts.

The response approach focused on leveraging linkages and collaboration with the Government and other humanitarian actors to ensure efficient coordination to achieve maximum impact and minimize any potential duplications. WFP leveraged its position as the co-chair of the food security cluster to build local capacities and systems for a more efficient, coordinated and harmonized response. This included having a harmonized targeting and registration process as well as distribution, monitoring and reporting approaches.

WFP commenced its drought response distribution activities to the targeted beneficiaries in August 2024, following conclusion of the beneficiary cleaning exercise to ensure there were no duplications with the Government's Social Cash Transfer Registers. WFP adopted the Government's list in all eight districts.

Coordination with Government and other key actors was achieved through the ARC Technical Working Group, where the Final Implementation Plans for WFP and Government were jointly prepared following the notice of payout from ARC, while beneficiary targeting processes leveraged existing Government disaster risk management structures and social protection system.

## Challenges and Lessons Learned

The response was delayed due to several factors, including the lack of harmonization between the Government Proxy Means Test (PMT) and WFP's beneficiary targeting in ARC-supported districts. Additionally, poor road networks in some areas hindered the timely



# ZAMBIA

## COUNTRY CONTEXT

Zambia faces multifaceted development challenges, ranking 153 out of 193 on the 2023 Human Development Index. Over 54 percent of its 19.6 million people live in poverty, with 41 percent in extreme poverty, particularly in rural areas. Undernourishment affects 51 percent of the population, 45 percent of whom are under 15 years old. Recent years have seen increased debt servicing obligations, an unstable local currency, the impact of COVID-19, and a rapidly growing population. In 2024, despite a 16 percent increase in maize planting, the El Niño-induced drought affected over one million hectares, reducing maize production by over 50 percent and causing significant food insecurity. The drought was declared a national disaster on February 29, 2024, and impacted 84 of 116 districts, affecting 6.6 million people and severely limiting water and energy availability.

distribution of cash to beneficiaries, and contracting service providers like ZANACO. Moreover, the index used to predict the affected population was inaccurate, resulting in more vulnerable individuals in the communities than initially targeted by ARC, leading to insufficient resources to assist all those in need.

WFP supported a community-based targeting approach, where communities themselves identified individuals who should be included in the programme, followed by community validation exercises and verification to avoid duplications with the Government Social Cash Transfer Registers. Effective coordination with Government structures and other stakeholders was cardinal to the successful targeting and implementation of the ARC replica programme.

It is important to use a mix of delivery modes and pre-position service providers/partners, such as financial, vendor, transportation services providers well in advance. It is recommended to undertake local capacity assessments (LCAs) before implementing the response and engage FSPs and other service providers beforehand through Long Term Agreements (LTAs). Timely development of a clear and detailed Final Implementation Plan (FIP) as soon as the payout is announced is helpful in ensuring that by the time the funds are received from ARC, the teams are ready to mobilize. In addition, early and joint-collaboration between WFP and DMMU is vital in getting Government endorsement and buy-in for Replica activities.

## 2024 KEY ACHIEVEMENTS MACRO-LEVEL RISK FINANCING



Implemented the ARC-funded payouts in eight districts, delivering much-needed food assistance to 169,494 affected people. This was despite the poor terrain and connectivity challenges in the targeted districts.



A comprehensive monitoring and evaluation strategy was developed to guide the implementation of activities and generate timely, credible evidence on the impact of WFP operations.



An After-Action Review meeting of the TWG was held in late-2024 to discuss lessons learnt and best practices following ARC distributions during the year.

# ZIMBABWE



## WITH FINANCIAL SUPPORT FROM



Foreign,  
Commonwealth  
& Development  
Office (FCDO),  
Global Affairs  
Canada (GAC),  
Green Climate  
Fund (GCF),  
Kreditanstalt fuer  
Wiederaufbau  
(KfW), Swiss  
Agency for  
Development and  
Cooperation (SDC)

## DISASTER RISK FINANCING IN ZIMBABWE

WFP Zimbabwe is implementing a second-generation country strategic plan (2022-2026) which underscores the role of shock-responsive social protection as well as sustainable and resilient food systems in responding to emergencies and weather extremes. Disaster risk financing tools, including anticipatory action (AA), inclusive insurance and macro insurance (ARC Replica), are all implemented by WFP Zimbabwe in close collaboration with the Government and other stakeholders. AA and ARC Replica are closely linked to other programmes such as social protection, humanitarian assistance, resilience and food systems, where these programmes contribute to the development of anticipatory action plans and the ARC Replica Operational Plan. In the event of a trigger, activities such as cash or in-kind transfers, and input distribution are implemented in coordination with these programmes.

## 2024 INCLUSIVE RISK FINANCING PROGRESS

The microinsurance component underwent a restructuring process during the reporting period, and as a result, no microinsurance implementation took place. WFP Zimbabwe plans to shift from direct implementation of microinsurance for farmers to a focus on capacity strengthening for the Government and private sector. As part of this restructuring, various stakeholders were engaged, including the insurance regulator; the Insurance and Pension Commission (IPEC); government ministries responsible for agriculture, finance, and disasters; insurers; insurance intermediaries' and farmer organizations. The goal was to foster a shared understanding of the challenges facing inclusive insurance, identify key issues and develop a strategic approach to enhancing the effectiveness, accessibility and sustainability of insurance in the country.

WFP has made significant strides in financial education across Chiredzi, Masvingo, Mwenezi, and Rushinga districts. A total of 4,579 participants were trained in Village Savings and Lending (VSL) methodologies, leading to the establishment of 229 VSL groups, which brought the cumulative total to 738. Monitoring of 477 groups revealed cumulative savings of US\$122,655 and loans worth US\$143,850 for income-generating activities (IGAs). Additionally, 2,832 VSL participants were trained in Farming as a Business, and VSL members generated substantial sales, reflecting successful market linkages. Support systems were strengthened through the training of new facilitators, and seven new Savings and Credit Cooperatives (SACCOs) were established, bringing the total to fourteen, with significant savings and loan activity reported.

## Challenges and Lessons Learned

Participants in savings and loan programmes face challenges that hinder their financial inclusion. Most new VSL members exhibited a lack of basic financial literacy, which led to poor decision-making regarding

# ZIMBABWE

## INCLUSIVE RISK FINANCING



**7,679 participants**  
(82 percent women) engaged in financial inclusion initiatives promoted by WFP



**US\$122,655** of savings made by participants of financial inclusion initiatives promoted by WFP



**US\$143,850** of loans accessed by participants of financial inclusion initiatives promoted by WFP

budgeting and loans, resulting in unmanageable debt and missed savings opportunities. Access to formal financial institutions is another significant barrier across all VSL groups, as they encounter obstacles such as geographical distance, inadequate documentation and strict eligibility criteria. Additionally, the El Niño-induced drought affected VSL group participation, as members prioritized immediate consumption over long-term savings. The drought also led to inconsistent attendance in VSL groups, which reduced group accountability and weakened their effectiveness. External economic instability, including fluctuating exchange rates, multiple currencies and market volatility, further reduced participants' ability to save or repay loans by diminishing disposable income and limiting business opportunities.

Some key lessons learned include the importance of financial education in empowering participants in savings and lending programmes. Comprehensive training in selection planning and management (SPM) and loan management equips individuals with the necessary knowledge to make informed financial decisions. Sessions focused on social cohesion were crucial in building trust within groups. Regular monitoring and ongoing support for VSL groups were vital for identifying challenges early and ensuring that members stayed on track with their financial goals, achieved through consistent check-ins and feedback mechanisms. Another key lesson is the value of income diversification, which helps participants enhance their financial stability and resilience.

### Outlook for 2025

In 2025, the focus will be on strengthening the capacity of both the Government and private sector players in climate risk insurance, once the microinsurance restructuring proposal is approved by the GCF. Efforts will also include expanding financial education programmes and increasing the number of VSL groups, accompanied by ongoing training. To enhance market access, direct links will be established between participants and local businesses, particularly in agriculture. Additionally, WFP will promote income diversification and entrepreneurship through targeted training programmes and integrate digital tools to improve the efficiency of financial education, savings, and lending processes within VSL groups.

## 2024 KEY ACHIEVEMENTS INCLUSIVE RISK FINANCING



229 VSL groups were established.



4,579 participants were trained in VSL methodologies; 2,832 VSL participants were trained in Farming as a Business.



7 VSL groups graduated into SACCOs.

# ZIMBABWE

## MACRO-LEVEL RISK FINANCING



**113,359 people**  
covered with  
inclusive insurance



**US\$770,000** of  
insurance premium



**US\$4,534,364** of  
sum insured



**US\$3,435,430** of  
payouts  
distributed,  
benefiting  
272,787 people

## 2024 MACRO-LEVEL RISK FINANCING PROGRESS

WFP Zimbabwe successfully integrated seasonal monitoring of the Africa RiskView (ARV), ARC drought risk modelling platform, into its planning processes, enabling real-time tracking of payout trigger potential and minimum guaranteed payouts. This proactive approach ensured that all key units were aligned and prepared for implementation as soon as payout indications emerged, providing timely support to vulnerable communities severely affected by the 2023/2024 El Niño-induced drought. As a result, the country office successfully completed the distribution of ARC payouts to 272,787 beneficiaries across the three target districts—Buhera, Mangwe, and Mwenezi—before the start of the lean season assistance, as planned. A media mission was conducted in Mwenezi district, and several ARC payout beneficiaries shared their experiences, highlighting the tangible impacts of the intervention at the household level, fostering greater community awareness and support for the programme. In addition, the WFP played a key role in coordinating and co-financing the development of the Final Implementation Plans (FIPs), ensuring agreement on intervention modalities and districts. The country office also coordinated and co-financed sensitization workshops for media houses and parliamentarians, raising awareness of disaster risk financing (DRF) and fostering greater support for its adoption. Furthermore, WFP supported the Government and Start Network in finalizing their respective FIPs. Additionally, the WFP was instrumental in finalizing the country's Disaster Risk Financing strategy, working closely with the Government, ARC, World Bank, African Development Bank and Start Network. Finally, the country office supported ARC in training and sensitizing communities on gender in disaster risk management (DRM), ensuring ensuring that the considerations of women and men were embedded in DRM strategies.

### Challenges and Lessons Learned

The main challenge experienced were delays in the approval of the FIP by the Government. This created a gap between the confirmation of the minimum guaranteed and final payout from ARC Ltd and the actual disbursement, potentially hindering timely response efforts. To address this, the WFP took immediate and effective action to minimize the impact of these delays by applying for advance financing based on the minimum guaranteed and final payout confirmation from ARC Ltd. This strategic move enabled WFP to begin critical activities—such as the procurement of commodities and the contracting of cooperating partners—without waiting for final FIP approval. Slight delays were also experienced in the inception of the payout, which was scheduled to start mid-July, due to extended stakeholder consultations on ward prioritization and beneficiary selection. Furthermore, the El Niño-induced drought affected both local and regional agricultural



# ZIMBABWE

## COUNTRY CONTEXT

Zimbabwe is a landlocked, lower-middle-income, food-deficit country with approximately 70 percent of its population dependent on rain-fed farming. Most farmers are smallholders with low productivity. Over the past decade, the country has faced several economic and environmental shocks, leading to widespread food insecurity and malnutrition. At least 49 percent of the population live in extreme poverty, affected by weather-related shocks, prolonged economic instability, and global stressors. Drought is the most significant weather-related risk, with frequent occurrences severely impacting livelihoods and food security. In the 2023/2024 season, Zimbabwe experienced one of the most severe El Niño-induced droughts in 40 years, leading to a 77 percent reduction in cereal production and over 9,000 cattle deaths, with 1.4 million cattle at high risk. The drought also exacerbated crop damage through outbreaks of fall armyworm and other pests. Additionally, it strained water resources, affecting agriculture, power generation and water supply. During the peak hunger period from January to March 2025, an estimated 57 percent of rural households—approximately 5.9 million people—will face cereal insecurity, according to the Zimbabwe Livelihoods Assessment Committee (ZimLAC) rural assessment report.

production, slowing the pace at which commodities became available. As most commodities were sourced locally, suppliers faced difficulties in providing the required quantities in a timely manner, leading to longer-than-anticipated lead times for commodity delivery. However, despite these delays, all activities were completed within the timelines specified in the FIP, ensuring that the overall objectives were still met on schedule.

Regular seasonal monitoring plays a critical role in effectively planning for payouts, as it enables the country office to track potential payout triggers and minimum guaranteed payouts in real time. This proactive approach ensures that all relevant internal Units are aligned and prepared for the timely execution of payouts once the need arises. Securing advance financing is essential for ensuring the timely procurement of commodities and the initiation of critical processes, such as contracting partners and suppliers. This financial flexibility can help mitigate delays caused by external factors and allows for quicker implementation of interventions. Effective engagement and coordination with national, provincial and district government stakeholders and other policyholders are crucial for the successful implementation of ARC payouts. Ensuring that local governments are well-informed and actively involved in the process contributes to smoother operations and enhances the reach and impact of the interventions at the grassroots level.

### Outlook for 2005

For the 2024/2025 season, WFP will conduct seasonal monitoring, customize ARV, sensitize national and sub-national stakeholders on DRF, review the Operational Plan, select the RTP, purchase policies and triangulate the ARC model with real-time ground data for the 2025/2026 season, while also participating in additional instruments such as the CAT Layer and CAT Bond.

## 2024 KEY ACHIEVEMENTS MACRO-LEVEL RISK FINANCING



UNHCR joined WFP Zimbabwe and Start Network as a Replica Partner; WFP collaborated with the Government, ARC, World Bank, African Development Bank and Start Network in developing the country's DRF Strategy.



An early confirmation of a minimum guaranteed payout by ARC Ltd enabled WFP to internally borrow funds and procure in-kind commodities well in advance of receiving the actual payout. This allowed distributions to begin early, facilitating a timely response as early as September.



# STORIES FROM THE FIELD

## A lifeline in times of crisis in Mozambique: Ana Paula's story of hope

Ana Paula Sequeles, a 44-year-old mother of five, has lived her entire life in the community of Massecha, nestled in the Cahora Bassa district of Tete province. She grew up surrounded by the land she now relies on to support her family.

For years, Ana Paula's livelihood revolved around farming, as it did for most of the families in Massecha. But the unreliable weather began to make her once reliable harvests unpredictable. Droughts became more frequent, rainfall less dependable, and crops failed to thrive. This meant that the food she grew no longer sufficed to meet the needs of her family.

Alongside her farming, Ana Paula has some small informal business, where she resells clothes, adding another way to support her family. But it wasn't until she joined the village savings and loan groups that she truly understood the power of saving and the difference it could make for her business. Facilitated by Kulima, a local non-governmental organization, these groups have been more than just a way to stash away money—they have been a lifeline. They taught Ana Paula, and many others in her community, how to manage the resources they have, how to plan for the unexpected, and how to secure their futures, no matter how uncertain they might seem. This year, when the drought ruined Ana Paula's crops, the savings she had built with the group became her safety net. With the money



**WITHOUT THIS PAYOUT, WE WOULD HAVE NOTHING TO HOPE FOR, SO WE ARE VERY THANKFUL AND PRAY THEY CAN CONTINUE SUPPORTING US**

**Ana Paula Sequeles,**  
*WFP beneficiary of the Integrated Climate Risk Management programme*



she had carefully set aside, she was able to buy food for her children when they needed it most and even invest in her small business to keep it afloat.

An even greater support arrived when Ana Paula received an insurance payout through the Integrated Climate Risk Management (ICRM) programme, facilitated by the World Food Programme. Since 2020, WFP Mozambique has been implementing the ICRM programme, which offers a comprehensive approach to managing risks by promoting access to four risk management strategies. This includes risk reduction through conservation agriculture, risk transfer through access to microinsurance, risk retention and prudent risk-taking through savings and loans. In 2024 alone, 7,000 farming households in the provinces of Tete and Sofala were able to access

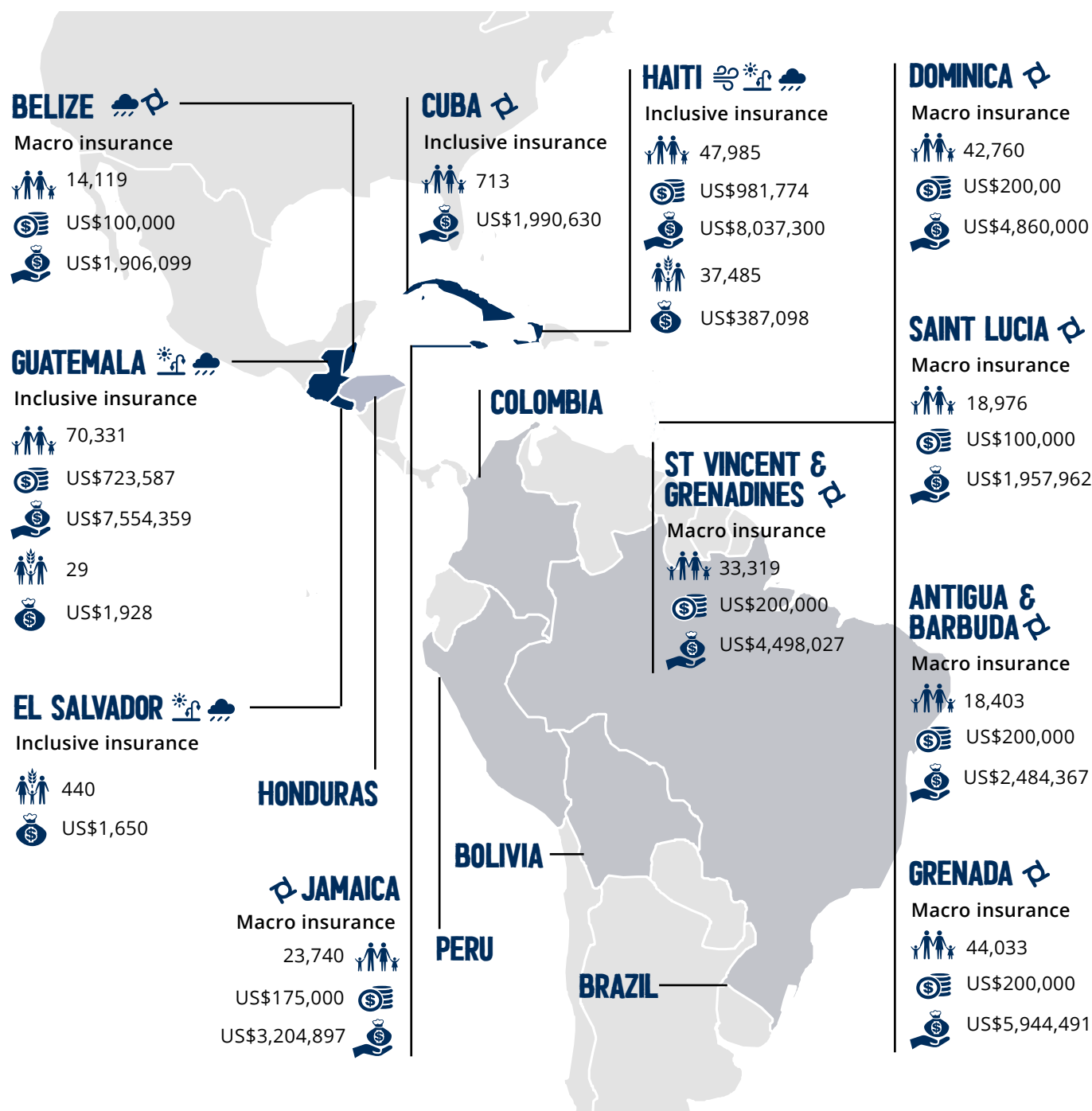
microinsurance through the programme, providing vital support in times of crisis.

With 1,600 meticaïs (about US\$25) in hand, Ana Paula plans to buy new seeds for the next planting season. “Hopefully,” she says, “if it rains well and God helps us, we will have good results. That is what we are praying for.” Ana Paula holds the money in her hands, a symbol of both relief and gratitude. “Without this payout, we would have nothing to hope for, so we are very thankful and pray they can continue supporting us.”

Though the future remains uncertain, Ana Paula’s faith in the support of WFP, the strength of her community, and the possibility of better harvests next season keeps her going.



# LATIN AMERICA AND THE CARIBBEAN



## LEGEND

	Number of people covered by insurance		Number of people benefiting from insurance payouts		Pests and diseases		Excess rainfall		Cold spell
	US\$ value of premiums		US\$ value of payouts triggered and/or disbursed in 2024		Cyclone		Flood		Heatwave
	US\$ value of sum insured		Current countries		Violent wind		Hail		Drought
			Expansion countries		Frost				



# CARIBBEAN

- Belize
- Dominica
- St Lucia
- Antigua & Barbuda
- Grenada
- Jamaica
- St Vincent & Grenadines



## WITH FINANCIAL SUPPORT FROM



Global Shield  
Financing Facility  
(GSFF) and Global  
Affairs Canada  
(GAC)

## DISASTER RISK FINANCING IN THE CARIBBEAN

In 2024, the WFP Caribbean Multi-Country Office (MCO) continued its work on climate risk insurance through the continuation of its work in Dominica, Belize and Saint Lucia, while expanding coverage to Antigua and Barbuda, Grenada, Jamaica, and Saint Vincent and the Grenadines. The Caribbean's macro-level risk financing approach operates through a premium top-up model, where WFP supports governments by providing additional funding to top-up insurance policies purchased from the Caribbean Catastrophe Risk Insurance Facility (CCRIF SPC). In the event of a catastrophic event triggered by a tropical cyclone (Belize, Dominica, Saint Lucia) or a rainfall event (Belize) covered by the CCRIF SPC policy, as pre-arranged with WFP, a portion of the payout—based on the estimated modeled loss—will be allocated for cash assistance to vulnerable populations affected by the disaster. This assistance will be disbursed to vulnerable populations affected by the disaster through national social protection programmes. Once the CCRIF SPC policy is triggered, governments are expected to receive the payout within 14 days of the event, with the funds being transferred to the Ministry of Finance, in accordance with the agreements between CCRIF SPC and the governments.

In return for WFP's premium support, governments will commit to further strengthening their social protection programmes and systems. This includes enhancing their routine functions, ensuring continued service provision after a disaster and scaling up assistance to populations affected by crises. Investments will be focused on key areas such as policy and legislation, data and information management, targeting, delivery mechanisms, coordination and financing, with the goal of building more resilient and responsive social protection systems.

This WFP-CCRIF top-up model, first implemented in Dominica in 2021, has since been adopted by eight nations across the Caribbean and Central America. WFP continues to support these countries by financially contributing to sovereign insurance premiums top-ups.

# CARIBBEAN

## MACRO-LEVEL RISK FINANCING

### Belize



14,119 people covered with macro insurance



US\$100,000 of insurance premium



US\$1,906,099 of sum insured

### Dominica



42,760 people covered with macro insurance



US\$200,000 of insurance premium



US\$4,860,000 of sum insured

### St Lucia



18,976 people covered with macro insurance



US\$100,000 of insurance premium



US\$1,957,962 of sum insured

## 2024 PROGRESS

In 2024, significant achievements included scaling pilot programmes in Dominica and Belize and expanding coverage to Antigua and Barbuda, Grenada, Jamaica and Saint Vincent and the Grenadines through the WFP-CCRIF top-up model. Supported by the Caribbean Development Bank and the Canada-CARICOM Climate Adaptation Fund (CCAF), this initiative provided top-ups on the CCRIF SPC Tropical Cyclone and Excess Rainfall policies and could have resulted in US\$16.3 million in potential cash transfers in 2024 across all countries, covering 120,741 people. WFP also provided technical support to develop comprehensive disbursement plans for disaster payouts in Grenada, Jamaica and Saint Vincent and the Grenadines with additional efforts to conduct simulations in Dominica to optimize fund distribution processes. For 2025, six countries will continue to adopt the top-up model and increase coverage under their CCRIF SPC Tropical Cyclone policies.

### Dominica

Since 2021, WFP has partnered with the Government of the Commonwealth of Dominica to link climate risk insurance through CCRIF SPC to the country's social protection system. WFP contributed US\$100,000 towards the premium for the CCRIF SPC Tropical Cyclone policy for the 2021/22 policy year and US\$ 200,000 to support the top up of the existing policy for the 20022/23 policy year, for a total of US\$300,000 over a two-year period. In 2023, a new agreement was signed between WFP and the Government for WFP to provide premium support in the amount of US\$200,000 per year to top-up the Tropical Cyclone policy for the 2023/24 and 2024/25 policy periods. For the 2025/26 season, WFP will provide US\$100,000 to top up the Tropical Cyclone policy, ensuring continued financial preparedness. Moreover, in 2024, a simulation exercise workshop was convened with the Government to validate the disbursement plan for the 2024 Atlantic Hurricane Season.

### Belize

Since 2022, WFP has partnered with the Government of Belize to integrate climate risk insurance through CCRIF SPC into social protection programmes, ensuring cash assistance reaches vulnerable populations affected by disasters. WFP has provided US\$100,000 of premium support to enhance its Tropical Cyclone and Excess Rainfall Policies. For the 2025/26 season, WFP will provide US\$100,000 to top up the Tropical Cyclone policy, ensuring continued financial preparedness.

# CARIBBEAN

## MACRO-LEVEL RISK FINANCING

### Antigua & Barbuda



18,403 people covered with macro insurance



US\$200,000 of insurance premium



US\$2,484,367 of sum insured

### Grenada



44,033 people covered with macro insurance



US\$200,000 of insurance premium



US\$5,944,491 of sum insured

### Jamaica



23,740 people covered with macro insurance



US\$175,000 of insurance premium



US\$3,204,897 of sum insured

### Saint Lucia

In 2023, WFP partnered with the Government of Saint Lucia to link CCRIF SPC climate risk insurance with social protection programmes, enabling timely cash assistance to shock-affected populations. Under a two-year agreement, WFP has committed US\$100,000 per year to top up the Tropical Cyclone policy for the 2023 and 2024 Atlantic Hurricane Seasons. This support will continue in 2025, further reinforcing the country's disaster response capabilities.

### HURRICANE BERYL

Hurricane Beryl in July 2024 highlighted the WFP-CCRIF model's impact, triggering payouts totalling US\$65.7 million of which US\$5.6 million was allocated for cash transfer support across Grenada, Jamaica and St. Vincent and the Grenadines. These interventions demonstrated the power of linking disaster risk financing to social protection, offering a scalable model for resilience and recovery. WFP collaborated with the Government of Grenada to ensure that part of the climate insurance payout reaches the most vulnerable people. Of the nearly US\$44 million received after Hurricane Beryl, approximately US\$4.2 million of the CCRIF payout was allocated to social protection efforts through the Beryl Recovery Income Support Programme (BRISP). This marks the largest payout ever made by CCRIF SPC since its creation in 2007.

### Beryl Recovery Income Support Programme (BRISP)

The Beryl Recovery Income Support Programme (BRISP) was designed to provide unconditional income support to households whose livelihoods were affected by Hurricane Beryl in Carriacou, Petite Martinique and the northern parishes of Grenada—including Saint Patrick, Saint Mark, Saint John and parts of Saint Andrew. The programme provides cash assistance relief for six months.

WFP and the Ministry of Social & Community Development, Housing & Gender Affairs conducted extensive consultations to assess the needs of affected communities and determine the most effective interventions. The programme is designed to help households meet their basic monthly needs, stay above the poverty line, and avoid negative coping strategies such as skipping meals, engaging in illegal activities or pulling children out of school. To ensure timely support, the disbursement started within two months of the application process.

# CARIBBEAN

## MACRO-LEVEL RISK FINANCING

### St Vincent & the Grenadines



33,319 people covered with macro insurance



US\$200,000 of insurance premium



US\$4,498,027 of sum insured

## COUNTRY CONTEXT

Small Island Developing States (SIDS) in the Caribbean are highly vulnerable to weather-related events such as hurricanes, floods and rising sea levels, which threaten their infrastructure, livelihoods, and ecosystems. These nations often face compounded challenges of poverty, limited resources, and fragile economies, making it difficult to recover from disasters. Their exposure to natural hazards, combined with economic constraints, leaves them particularly susceptible to long-term setbacks, highlighting the need for sustainable risk management and resilience-building strategies.

## 2024 KEY ACHIEVEMENTS



WFP established new partnerships on CDRFI with the Governments of Grenada, Jamaica and St. Vincent and the Grenadines, while also continuing its collaboration with the Governments of Belize, Commonwealth of Dominica and Saint Lucia.



Disbursement plans were developed for Belize, Dominica and Saint Lucia which outline the process for the disbursement of assistance from CCRIF SPC to the governments and from the governments to beneficiaries via national social protection systems.



WFP showcased its climate insurance work at key events, including the 4th International Conference on Small Island Developing States, Caribbean Week of Agriculture and the 13th Annual Conference on Comprehensive Disaster Management.



A report was published for Saint Lucia on linking Disaster Risk Financing to Social Protection.



Local Residents of Petite Martinique queue outside the revenue office as they wait to collect the cash assistance that WFP provided following Hurricane Beryl.

WFP/Rheanna Chen



# CUBA



## WITH FINANCIAL SUPPORT FROM



Global Shield  
Financing  
Facility  
(GSFF), Korea  
International  
Cooperation  
Agency (KOICA),  
China, The  
Netherlands,  
Russia, WFP  
South-South  
and Triangular  
Cooperation

## INCLUSIVE RISK FINANCING



713 households  
insured  
(27 percent  
women)



US\$1,990,630 of  
sum insured

## DISASTER RISK FINANCING IN CUBA

WFP Cuba promotes risk financing solutions to support the development of local food systems and their resilience to weather-related losses and damages, to ensure the provision of sufficient, safe and affordable food, and to support healthy diets via social protection programmes. WFP has worked closely with the National Insurance Company (ESEN) to develop and update an insurance product ("*+Resiliente*") linked to the analysis of smallholder farmers' vulnerability to extreme hydro-meteorological events. Capacity building activities have also been carried out to train insurance agents, especially women, to help farmers access insurance advice, take out policies and manage claims. At the regional and national levels, WFP is working to promote Cuba's access to the Caribbean Catastrophe Risk Insurance Facility Segregated Portfolio Company (CCRIF SPC) to receive funding for early disaster response when a catastrophic weather-related shock triggers a payout.

## 2024 PROGRESS

Under the inclusive risk financing portfolio, in 2024, WFP supported the scale-up of the "*+Resiliente*" insurance product, helping 713 smallholder farmers to access climate risk insurance protection with a total financial coverage of over US\$1.9 million and a total premium of US\$124,649. Activities included identifying and sensitising producers, assessing vulnerability and supporting risk reduction activities to ensure that insurance can incentivise preparedness, build resilience in risk-prone regions and reduce vulnerability to external shocks. Following weather-related shocks, 63 farmers received payouts amounting to approximately US\$7,728.

In partnership with national counterparts such as the National Insurance Company (ESEN), WFP has been working to update the product design to expand the number of risks covered by the insurance product and to develop a parametric version of the product. Additionally, 29 women from six provinces were trained as ESEN agents to provide farmers with easier access to insurance guidance and tools, helping them better prepare for, respond to and recover from weather-related risks. This initiative supports women's economic empowerment by fostering employment opportunities while also improving farmers' access to insurance advice, policies and claims management, thereby enhancing their resilience.

# CUBA

## COUNTRY CONTEXT

Cuba is facing a socioeconomic crisis, due to the combination of persistent post-pandemic disruptions, increase of embargo-related restrictions and internal limitations. There is a continued high incidence of power cuts, fuel shortages, rising inflation, deterioration of social protection mechanisms and a precarious access to inputs and basic products, a situation that poses increasing food security and nutritional challenges for the population.

In addition, the country is highly exposed to extreme weather events, exacerbated by the effects of weather-related shocks. In 2024, Cuba was hit by two major hurricanes, earthquakes in the eastern region, droughts, heavy rains and soil degradation.

Under the macro-level risk financing portfolio, WFP facilitated exchange visits by Cuban authorities to Central America to discuss with the member countries of CCRIF SPC. This South-South and Triangular Cooperation (SSTC) initiative has enabled Cuban experts, including the Superintendent of Insurance of Cuba (under the Ministry of Finance and Prices) and the Vice President of Caudal Group, to learn about the experience of sovereign insurance in countries like Panama and Honduras. Through this collaboration, WFP is working to promote insurance policies that provide funding for early disaster response when a catastrophic weather-related shock triggers a payout.

## OUTLOOK FOR 2025

In 2025, WFP will begin implementing three new projects. Through these initiatives, WFP will scale up risk financing solutions that provide smallholder farmers and communities with financial protection against weather-related losses and damages, helping to prevent them from falling into hunger and food insecurity. In partnership with ESEN, WFP will continue to refine the “+Resiliente” insurance product and develop a marketing strategy to help farmers access insurance advice, take out policies and manage claims.

At the national and regional levels, WFP will continue the scale up strategy to promote Cuba’s access to the CCRIF SPC. In February 2025, WFP will organise a CCRIF Central America workshop as a capacity building activity for Cuban stakeholders to learn how to prepare applications, design response plans and evaluate insurance coverage options.

## 2024 KEY ACHIEVEMENTS



With funding from the Netherlands, 29 women were trained on insurance fundamentals by WFP, in collaboration with Cuban financial and insurance institutions. Upon completing the training programme, they received licenses as insurance agents and joined the National Insurance Company.



WFP facilitated exchange visits for Cuban authorities, enabling Cuban experts to learn from sovereign insurance experiences in Panama and Honduras.

# GUATEMALA



## WITH FINANCIAL SUPPORT FROM



European Union, Korea International Cooperation Agency (KOICA), Global Affairs Canada (GAC), IFAD and WFP USA.

## INCLUSIVE RISK FINANCING



70,331 people covered with inclusive insurance



14,731 households insured (88 percent women)



US\$723,587 of insurance premium



US\$7,554,359 of sum insured



US\$1,928 of payouts distributed, benefiting 29 people

## DISASTER RISK FINANCING IN GUATEMALA

WFP Guatemala's Disaster Risk Finance Strategy is largely implemented within the framework of integrated resilience building programming. Adopting a risk-layering approach, it encompasses a range of activities aimed at supporting smallholder farmers, local institutions, and partners in adapting to and mitigating the effects of extreme weather on their livelihoods and the environment. WFP's DRF initiatives include Climate and Disaster Risk Insurance, Anticipatory Action (AA), last-mile climate information services and financial inclusion, all of which have demonstrated that climate-smart investments can be scalable, sustainable and impactful.

## 2024 PROGRESS

### Inclusive Insurance

In 2024, a significant percentage of the insured population, as well as municipalities, contributed to premium costs following a process of awareness raising and financial education. For this year's insurance coverage, technical adjustments were introduced, including the addition of a third activation level for drought, linked to a shorter return period.

Developing financial education materials in multiple languages and tailored to the local context is essential for raising awareness about insurance products and facilitating effective learning during implementation. At the rural level, understanding these products can be particularly challenging due to limited access to financial tools, making it necessary to start training from the ground up to ensure clear comprehension and successful adoption.

At the implementation level, the primary challenge is securing funding for scaling the project, as the product's success has heightened expectations for expanding microinsurance to more vulnerable areas of the country. However, limited availability of funds has hindered our ability to broaden the insurance portfolio or introduce additional coverage options.

### Savings and Loans

During 2024, 596 Women's Empowerment Savings and Loans Groups (GACEMs) were established, bringing together 13,879 women who worked to create 345 entrepreneurship. The GACEM initiative empowered women by enhancing their skills and fostering activities aimed at reclaiming local knowledge to establish sustainable collective entrepreneurship. As a result, women gained economic resources, enabling them to make informed, sustainable decisions for their futures. Women were trained on different topics such as

# GUATEMALA

## COUNTRY CONTEXT

Guatemala is highly vulnerable to natural hazards, particularly prolonged droughts and torrential rains. According to the 2020 World Risk Report, the country ranks 10th globally in terms of exposure to extreme weather events.

Additionally, the 2021 Global Climate Risk Index lists it as the 16th most affected country by extreme weather-related events between 2000 and 2019. Despite these high levels of vulnerability, the country's adaptation capacity is limited, with a ranking of 119th on the 2021 Notre Dame Global Adaptation Index.

In 2024, Guatemala continues to face significant challenges exacerbated by weather events and social vulnerability. According to the Ministry of Agriculture, prolonged droughts linked to El Niño affected 595,000 people between August and October 2023.

This was followed by a transition from El Niño to La Niña between March and April 2024, which resulted in the loss of 40,000 hectares of crops valued at US\$153 million.

nutrition, local governance processes, prevention of violence against women and services related to adaptation to weather-related shocks, among others.

## OUTLOOK FOR 2025

By 2025, insurance will scale up to 20,000 people, including expansion to Huehuetenango and other municipalities in Izabal. WFP Guatemala will prioritize financial education, updating and developing new materials (such as videos, audio recordings, printed materials and online resources) tailored to the local context to ensure better understanding of the product.

As part of the smart subsidy and insurance empowerment strategy, 70 percent of the insured population will contribute 20 percent of the total premium cost. To ensure long-term sustainability, the goal is to strengthen government capacities in identifying vulnerable areas, developing financial education modules and refining impact evaluation methodologies, paving the way for a transition to the Ministry of Agriculture's product for the 2026-2027 coverage.

## 2024 KEY ACHIEVEMENTS



88 percent of the insured population consists of women involved in over 400 savings groups, with 66 percent of the population contributing 16 percent of the total premium cost.



18,000 people received 30,050 messages with information and agroclimatic recommendations aimed at reducing risks from forecasted climatic events.



596 GACEMs were established, comprising 13,879 women who collectively launched 345 entrepreneurial ventures. These women saved US\$1.1 million through their participation in GACEM.



Two training sessions on insurance functionality and financial education were held for 14,731 participants, including 13,079 women. Additionally, technical staff from 13 municipalities were trained on the implementation and subscription process of parametric insurance.



# HAITI



## WITH FINANCIAL SUPPORT FROM



Flexible  
Funding

## INCLUSIVE RISK FINANCING



47,985 people  
covered with  
inclusive insurance



9,597 households  
insured



US\$981,774 of  
insurance premium



US\$8,037,300 of  
sum insured



US\$387,098 of  
payouts  
distributed,  
benefiting  
37,485 people

## DISASTER RISK FINANCING IN HAITI

Since 2022, WFP in Haiti has been working with a local insurance company to establish weather index insurance products which have been gradually integrated in various WFP programme activities, including farmers associations working with the national home-grown school feeding programme, asset creation activities and beneficiaries of national social protection schemes. Financial inclusion tools are also supported to complement the activities of shock-responsive social protection, notably training sessions on the use of digital wallets, financial products and the creation and follow-up of Village Loans and Savings Associations (VSLA).

## 2024 PROGRESS

Haiti's high exposure to natural hazards, socio-political instability and economic challenges underscores the need for strengthened resilience. In 2024, WFP reinforced livelihoods and agricultural resilience through asset creation, value chain development and microinsurance initiatives in collaboration with the Ministry of Agriculture, Natural Resources and Rural Development.

Under the agricultural resilience and market access activities, through the Global Agriculture and Food Security Programme (GAFSP)-funded project, WFP supported 1,873 farmers (including 1,320 women) in Grand'Anse with technical training, inputs, livestock and financial inclusion via village loans and savings groups. These efforts enhanced agricultural productivity and market access.

Under its microinsurance programme, WFP expanded its index-based product, launched in 2022, to safeguard 8,397 households in Grand'Anse, South, and Nippes against rainfall deficits and excess rainfall. The product, developed with the technical service provider Weather Risk Management Services (WRMS), features context-specific thresholds that are carefully tailored to the unique conditions of each commune. In 2024, the insurance provider AIC, paid out over US\$375,000 in claims to almost 7,000 households affected by weather-related shocks, reflecting a 32 percent claims ratio.

WFP integrated climate-index microinsurance into social protection efforts, covering 1,200 households enrolled in the ASPIRE cash assistance programme in Grand'Anse. Following below-average rainfall in Bonbon, US\$11,420 was disbursed to 571 households under the lowest payout tier.

By linking resilience-building initiatives with social protection and insurance solutions at both micro and macro levels, WFP continues to strengthen Haitian farmers' ability to withstand weather-related shocks and improve long-term food security.

# HAITI

## COUNTRY CONTEXT

Since early 2024, Haiti is facing a deepening humanitarian crisis, exacerbated by escalating violence and political instability. Armed groups have intensified their territorial control, leading to a sharp increase in civilian casualties with over 5,600 reported murders in 2024, forcing over one million people to flee their homes and livelihoods. The widespread violence also led to prolonged closures of ports and airports, severely restricting economic activity and access to essential services.

Hunger has reached a new historic peak: Nearly one in two Haitians is in a situation of acute food insecurity, which represents an increase of more than 1.3 million people since 2020 (IPC, 2024). The food crisis is considerably worsened in the country in particular due to the indiscriminate violence perpetrated by armed groups, but also due to economic and weather-related shocks, which have contributed to worsening the food crisis. While no hurricane impacted Haiti, several heavy rainfall events produced flooding both in the Southern and Northern regions as well as in the metropolitan area of Port-au-Prince.

## 2024 KEY ACHIEVEMENTS



Through 227 Village Savings and Loan Associations, 6,300 people received financial education training, empowering them to make informed and productive investment decisions.



47,985 people were covered by insurance, with 37,485 receiving payouts totaling over US\$387,098 following adverse weather events.



3,000 members of local farmer organizations were trained in understanding local weather patterns and their impact on agricultural production using the Participatory Integrated Climate Services for Agriculture (PICSA) tools and methodology.



5,250 individuals covered by the microinsurance programme also took part in Food Assistance-for-Assets activities.



Dominique Beaubrun, insurance beneficiary in Haiti.

WFP/Stephanie Rigaud



# STORIES FROM THE FIELD

## Empowering communities through Disaster Risk Financing in Cuba

WFP Cuba continues to collaborate with national organizations to strengthen disaster risk financing mechanisms, while promoting entrepreneurship among communities vulnerable to food insecurity. A key focus has been the integration of women into managerial roles, alongside the enhancement of their technical and financial skills. In 2024, five women's economic empowerment initiatives continued to receive support, resulting in the creation of 78 new jobs for women.

The Women Insurance Agents Programme exemplifies these efforts, leveraging women's strengths and entrepreneurship to enhance smallholder farmers' capacity to endure and recover from extreme events. With funding from the Netherlands, WFP collaborated with Cuban financial and insurance institutions to train 29 women from 11 municipalities in the fundamentals of insurance.

Upon completion of the programme, these women obtained licenses as insurance agents and joined the National Insurance Company. This initiative is expected to improve farmers' access to agricultural insurance and innovative financial solutions, reducing risks associated with extreme weather events, and ultimately contributing to enhanced food security and nutrition at the community level.

Yanelis Cisneros, a 48-year-old commercial agent at the Municipal Agroindustrial Enterprise in Palma Soriano, has always been deeply connected to

agricultural work. Her experience in the sector motivated her to undergo training as an agricultural insurance agent through the WFP-supported workshop.

"This training has been incredibly valuable," Yanelis shares. "It equips us with the ability to educate agricultural producers on the importance of innovative insurance solutions."

For Yanelis, the programme was essential in deepening her understanding of agricultural insurance and preparing her to advocate for its adoption among farmers. "Insurance is crucial for today's agriculture. Producers face numerous challenges, and understanding both the benefits and limitations of insurance is vital for their long-term stability."



**Yanelis Cisneros,**  
*participant in the Women Insurance Agents Programme.*



In her municipality, insurance is often only considered when farmers apply for bank loans. Yanelis aims to shift this mindset. “We want to create a movement where farmers proactively insure their crops against risks such as floods and droughts, rather than viewing insurance as just another financial requirement.”

Beyond individual knowledge, Yanelis feels a strong responsibility to share what she has learned and encourage more women to participate in this initiative. “Women have continuously sought new opportunities, and this programme provides one. An insurance agent needs to be communicative, spontaneous, and capable of conveying a sincere and impactful message. That’s exactly what we intend to do—educate and support farmers in making informed financial decisions to safeguard their livelihoods.”

Similarly, Marisleiby Palma, a 37-year-old journalist from Urbano Noris in Holguín province, embraced the opportunity to expand her knowledge and career prospects through the Women Insurance Agents Programme. Coming from a communication background, she found herself deeply engaged in understanding the complexities of insurance.

“I had heard about insurance and knew family members who were insured,” she explains. “But this training provided a broader perspective—understanding risks, client engagement and even communication techniques tailored for insurance marketing.”

For Marisleiby, this knowledge is not just theoretical but a practical tool to support her farming community. Coming from a family involved in land use, she recognizes the urgency of educating farmers about insurance. “Many producers, both men and women, have valuable agricultural production but are unaware of the full extent of risks they face,” she notes.

She is now determined to bring this message to her community. “We will be responsible for sharing this vital knowledge so that farmers can protect their production and prevent devastating losses.”

Beyond the technical aspects, Marisleiby sees the workshop as an empowerment tool for women. “This training enables women who are not currently employed to enter the workforce, contribute financially to their households, and actively participate in society. Women have continuously demonstrated their ability to play crucial roles in economic and social development.”

When asked about her readiness to embark on this new journey, Marisleiby confidently affirms, “After this week of learning, I am prepared to take on this challenge. With the right tools and knowledge, I feel capable of reaching and supporting producers in making informed decisions.”

By integrating disaster risk financing into local economies and empowering women to become key actors in the insurance sector, WFP’s initiatives are fostering a culture of preparedness and entrepreneurship. The Women Insurance Agents Programme not only strengthens Cuba’s financial protection mechanisms but also unlocks economic opportunities for women while enhancing food security and sustainability.



**Marisleiby Palma,**  
*participant in the Women Insurance Agents Programme.*





Puteho Mutelo, a WFP beneficiary, received food assistance funded by the ARC Replica insurance payout in response to the impacts of the 2024 El Niño-induced drought in Zambia.

## Monitoring, Evaluation and Learning

### Monitoring, Evaluation, and Learning

Over the years, WFP has developed a strong monitoring, evaluation, and learning (MEL) framework to capture insights, assess performance, guide adaptive programming and evaluate the impact and effectiveness of its Disaster Risk Financing (DRF) programmes. The internal MEL system is complemented by externally-led analyses, reviews, studies and evaluations of WFP-supported DRF programmes. Generating evidence is particularly important for WFP, both to enhance its programmes over time and to refine its strategy for managing disaster risks through the appropriate mix and layering of risk financing instruments. Below are the key findings from a series of evidence generation activities related to WFP's DRF programmes, conducted in 2024.

### Evidence from WFP-supported inclusive risk financing programmes

#### **INTEGRATING INSURANCE WITH OTHER FINANCIAL SERVICES IS CRUCIAL FOR ENSURING SCALABILITY AND LONG-TERM VIABILITY**

In **Senegal**, findings from a final project evaluation highlighted the significant role that savings groups have played in driving insurance adoption, with insurance distributed through Economic Interest Groups (GIEs). These groups, primarily composed of women, serve both as distribution channels and platforms for savings

and loans, promoting productive investments. Through their involvement in savings and income-generating activities within these groups, farmers have gradually raised their insurance premium contributions. This approach has not only enhanced savings and credit capabilities but also promoted stronger social unity within villages. Furthermore, the GIEs have been receiving commissions from the insurance company, allowing them to generate income and bolster their long-term sustainability.

The Savings for Change (SFC) groups were also notably successful, with 1,103 groups formed and 17,924 members by the end of the project. These groups exceeded savings targets, accumulating US\$191,000 in 2023, while also facilitating credit access, with loans amounting to US\$174,000 in the same year.

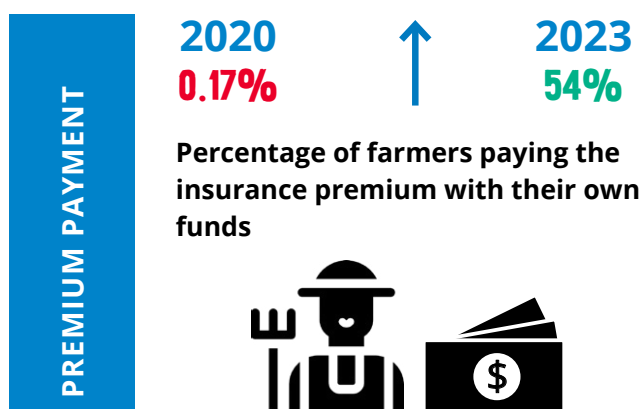
The project surpassed its target for GIEs, establishing 19 groups, significantly exceeding the initial goal of four. Members benefited from a six-month business development programme and technical training, such as cereal processing and saponification, which helped support income-generating activities.

Furthermore, the evaluation found substantial progress in the development of agricultural insurance, especially with the introduction of a hybrid model that combines both rainfall and yield indices, providing more comprehensive coverage for farmers and addressing multiple risks. By 2023, the number of households subscribing to agricultural insurance surpassed the target of 45,000, reaching 51,602.

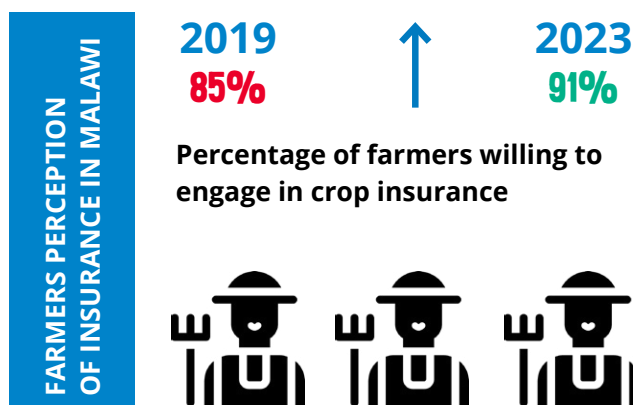
The number of cash-paying participants also grew significantly, from 1,325 to 27,903, making up 54 percent of the total participants. This growth reflects the increasing adoption of the insurance model. With technical support provided to the local insurance company, CNASS, WFP helped develop and manage sustainable index insurance products, empowering local stakeholders and ensuring long-term national ownership.

In **Malawi**, surveys conducted with participants in 2024 revealed a notable increase in the willingness to engage in crop insurance, rising from 85 percent in 2019 to 91 percent in 2023. Furthermore, 88 percent of participants expressed a willingness to contribute towards the premium, with 51 percent opting to cover 25 percent and 24 percent willing to contribute up to 50 percent. The growing frequency of climatic shocks, including the El Niño-induced drought during the 2023/24 season, has likely driven farmers to seek greater protection through crop insurance.

**FIGURE 3**  
**Increase in premium contribution in Senegal**



**FIGURE 4**  
**Willingness to engage in crop insurance in Malawi**



# Evidence from WFP-supported macro-level risk financing programmes

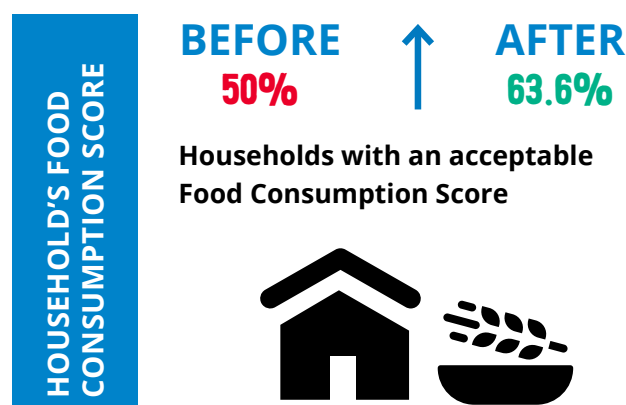
## SAFEGUARDING FOOD SECURITY THROUGH INSURANCE PAYOUT-FUNDED ASSISTANCE

Following the devastating El Niño-induced drought conditions, WFP Zimbabwe received an ARC Replica payout of US\$6.09 million, which enabled the organization to provide two months of in-kind food assistance to 272,787 people across the districts of Buhera, Mwenezi, and Mangwe. This support significantly improved food security for households affected by the compounded effects of the El Niño drought and economic shocks. WFP's in-kind food transfers were vital, as many households had depleted their food stocks due to poor harvests caused by erratic rainfall and extended dry spells. By November 2024, most households had exhausted their cereal stocks and were fully reliant on WFP rations.

Surveys conducted after the ARC Replica-funded intervention highlighted the success of the assistance in ensuring food security for the most vulnerable households. More than half of the surveyed households (63.6 percent) had an acceptable Food Consumption Score (FCS)<sup>3</sup>, demonstrating the effectiveness of the WFP rations in providing diverse and sufficient diets. Households receiving WFP assistance had higher food consumption scores compared to the general population (50 percent), as reported by the 2024 Zimbabwe Livelihoods Assessment report. The provision of in-kind food enabled households to meet their food needs, filling the gaps left by poor harvests and limited purchasing power.

3. The Food Consumption Score (FCS) is WFP's key corporate indicator for measuring food insecurity. The indicator measures households' dietary diversity, consumption frequency and nutritional value.

**FIGURE 5**  
**Households' Food Consumption Score in Zimbabwe**



The Coping Strategy Index (CSI) was used to assess the level of stress households faced due to food shortages. While the CSI was high at 28.6, this result is understandable as WFP targeted the most vulnerable households, who were already more food insecure than the average population. The high CSI score was also influenced by the timing of the survey, conducted towards the end of the programme cycle, when some households were running low on WFP food stocks, resulting in the use of negative coping mechanisms. Limited livelihood opportunities and low remittances further constrained households' ability to purchase additional food from the market.

WFP is committed to minimizing unintended negative effects that could increase vulnerability to physical and psychosocial risks. Under the ARC Replica payout-funded assistance, 99.7 percent of households did not report safety concerns, and 99.9 percent of beneficiaries reported no barriers to accessing food assistance. Safety and access issues were mainly related to the distance to distribution points, and WFP responded by establishing central distribution points and additional sites in certain areas to reduce travel distances. Special measures were taken at food distribution points to prioritize vulnerable individuals, such as pregnant and lactating women, ensuring they were served first and reducing their exposure to risks. Additionally, WFP and partners provided essential information



to beneficiaries regarding selection criteria, entitlements, programme duration and complaints mechanisms. The survey showed that 85.7 percent of beneficiaries received accessible information about the programme. This outreach contributed to greater transparency and understanding among participants.

## ENHANCING WFP PAYOUT-FUNDED ASSISTANCE THROUGH LEARNING, BEST PRACTICES AND IDENTIFYING AREAS FOR IMPROVEMENT

In 2024, WFP made significant progress in enhancing its understanding of the macro-level risk financing payout process. The introduction of After Action Reviews (AAR) provided a structured opportunity to reflect on both successes and challenges encountered during the process. These reviews focus on various aspects, such as assessing the preparedness activities before a shock, evaluating the technical performance of the model or index used, and examining the implementation of payout-funded assistance. Additionally, these reviews consider the broader effects of the programme on beneficiaries' lives and livelihoods. AARs serve as a platform to identify valuable lessons, areas in need of improvement, and to capture best practices. This approach helps pinpoint areas requiring enhancement and paves the way for developing actionable plans to implement necessary changes effectively.

In 2024, WFP commissioned Tetra Tech to conduct a thorough AAR of the 2022/23 ARC Replica payout implementation in **Mali**. The findings highlighted that, despite a challenging security context, the 2022/2023 Mali ARC Replica payout intervention successfully achieved its quantifiable objectives. Key lessons from the 2021/22 payout were effectively incorporated, leading to significant improvements in both efficiency and speed. For example, the asset creation intervention was shifted to cash-based transfers for social protection, which expedited implementation. Additionally, the move

from monthly to fewer, consolidated distributions streamlined the process. The adoption of the Unified Social Register (USR) considerably reduced the time required to implement the targeting process. WFP Mali also enhanced the contracting process with cooperating partners (CPs), cutting the time from four months to two. However, the intervention faced challenges in the timing of the activities, with assistance being provided from April/May to July, rather than the preferred February/March to May timeline. For maximum impact, it is essential that pre-lean season interventions begin by February, requiring stakeholders to be prepared before the season ends and before an insurance trigger is confirmed. When an ARC Replica insurance payout is triggered, interventions should not follow a "business-as-usual" approach. Stakeholders must recognize the urgency and adjust their processes accordingly by expediting planning, making swift decisions and streamlining operations. This involves minimizing delays in negotiations, choosing the most efficient strategies and ensuring close coordination. Effective communication, transparency and trust between all parties are crucial for achieving optimal results.

AAR exercises were also conducted in **Zimbabwe** and **Zambia** following the payout distribution process, with key findings expected to be released in 2025.



Moya Kudindama, a young female farmer, received WFP assistance funded by the ARC Replica payout following the 2024 El Niño-induced drought in Zambia.





Chanique Clemence and her daughter collected the cash assistance that WFP provided to residents of Petite Martinique, Grenada, in the aftermath of Hurricane Beryl.

## Empowering women through Disaster Risk Financing

Rural and food insecure populations are particularly vulnerable to increasing weather-related events, as they often lack the financial resources necessary to cope with these challenges, exacerbating the crisis protection gap. Among these vulnerable groups, women are especially affected. Weather-related disasters only serve to deepen the challenges women face, limiting their capacity to manage and recover from escalating shocks. As humanitarian needs continue to escalate, the current international crisis financing system remains insufficient to address these challenges.

Women and girls are vital to food security, agricultural production and crisis management efforts, yet they encounter barriers such as discrimination, limited access to education and restricted economic opportunities. These obstacles prevent them from accessing and controlling essential resources like land, water, seeds, etc., perpetuating a gap that negatively affects food security for entire communities. Therefore, creating an environment that empowers women is crucial

to ensure that they have access to resources, enabling them to play a significant role not only in shaping the food security of their households and communities, but also in addressing the specific challenges that come in the aftermath of a disaster.

WFP has been committed to empowering women as a crucial part of its mandate on saving lives. Through integrating women's empowerment into all aspects of food security, WFP aims to create development pathways that leave no one behind. WFP's Disaster Risk Financing initiatives are a key component of WFP's commitment to women's empowerment.

Over the past 15 years, WFP has been at the forefront of implementing disaster risk financing initiatives, providing solutions to governments and communities across the globe, supporting them to proactively manage disasters, optimize resources and mitigate disaster impacts. These initiatives empower women economically and help them to fight the impacts of disasters. Through its

DRF programmes, WFP ensures that the different needs and challenges faced by both women and men are fully considered, designing programmes that address specific risks and needs to improve outcomes for women and their families, without leaving any segment of the community behind.

The impact of WFP's DRF interventions extends beyond economic empowerment, enhancing women's agency, decision-making autonomy and household food security. WFP also engages in knowledge exchange and capacity building through participation in the Insuresilience Working Group and the Centre of Excellence (CoE) on Smart Solutions. Over the past year, WFP has made significant strides in ensuring that its DRF programmes can be improved to consider the



“Without this payout, we would have nothing to hope for, so we are very thankful and pray they can continue supporting us.”

**Ana Paula Sequeles (44)** lives in Tete province of Mozambique, which often faces unpredictable weather patterns. In 2024, following a severe drought that ruined her crops, she received an insurance payout from WFP, preventing her from falling into deeper debts. With 1,600 meticaïs (about US\$25) in hand, Ana Paula plans to buy new seeds for the next planting season.



“WFP supported us when we needed it most, and it relieved us,”

**Guire Salamata (63)** lives in Malou, Burkina Faso, which often faces insufficient rainfall. In August 2024, following a severe drought that devastated her crops, she received food assistance from WFP funded by a macro insurance payout. The support included two bags of rice, 1.5 bags of cowpeas, three jerrycans of oil, and two bags of millet, preventing her from falling into deeper distress.

unique vulnerabilities and challenges that women face. These steps include the introduction of an inclusive risk financing (IRF) checklist. The aim of this new tool is to ensure that IRF initiatives have transformative potential whereby women emerge as key stakeholders in ensuring the food security of their families and communities. The checklist was piloted in 2024 in Bhutan during the inception phase of the IRF programme. Under the macro-level risk financing portfolio, two in-depth analyses were conducted in Somalia and Mozambique in 2024 to understand and document the dynamics that influence the different vulnerabilities of men and women to disaster risks, their capacity to respond to these shocks, and the participation of men and women in disaster risk management.





“As a family, we sat down together and agreed to buy food. I purchased a 50-kilogram bag of maize and used the leftover money for relish and salt,”

**Puteho Mutelo (23) and Moya Kubindama (28)** live in Shangombo district, Zambia, which often faces droughts. In 2023-24, following an El Niño-induced drought that devastated their crops, they received early support from WFP, preventing them from falling into deeper distress. Following the drought, WFP received a payout of US\$3.3 million through the ARC Replica Programme. Both Puteho and Moya were among the 160,000 households that WFP assisted.



“The first thing I did was buy 50-kilograms of maize and have it milled into flour. With the remaining money, I bought salt, cooking oil and other essentials.”

“Without this assistance, many in my community would have struggled to survive,” Moya explains. “The money provided much-needed relief during a difficult period.”

(Moya Kubindama)

These efforts have provided valuable insights into the unique challenges faced by women in these countries and will now inform the development of targeted macro-level DRF interventions.

Looking ahead, it is clear that women’s empowerment plays a crucial role in achieving sustainable food security. Therefore, if impactful results are to be achieved, it is essential to ensure that women are an indispensable element of all

policies and programmatic phases. WFP remains committed to ensuring that the women, men, girls and boys it serves are equipped with the tools to withstand the devastating impacts of disasters. By increasing access to disaster risk financing tools, risk protection, opportunities for empowerment and decision-making power, WFP is helping women transform their families’ futures—ensuring that they not only survive but thrive.



Funny, a 31-year-old farmer from Chisuzi village, tending to her cornfield.

# Financial Inclusion as a critical tool to build resilient food systems

## Financial Inclusion at WFP

Financial Inclusion (FI)<sup>4</sup> is a strategic imperative for WFP, the world's largest humanitarian organization saving lives and changing lives in emergencies and protracted crises to build a pathway to peace, stability, prosperity and food security. By enhancing access to financial services, WFP strengthens the resilience of vulnerable populations, supporting not only their financial stability but also their ability to engage in sustainable food systems and improve nutrition. This approach directly contributes to WFP's core mission of saving and changing lives, fostering long-term food security and better nutrition and health outcomes for those most in need.

WFP's commitment to financial inclusion is

demonstrated through its diverse and innovative interventions where financial inclusion is promoted as a cross-cutting topic through different approaches, programmes and teams. WFP's Financial Inclusion interventions can be classified in three categories:

- **Interventions unlocking access to inclusive financial services through Cash Transfers (CBT) programmes:** WFP is the world's largest provider of humanitarian cash transfers globally<sup>5</sup>; this allows WFP to act as a first bridge to connect people with financial services, often for the first time. Both humanitarian cash transfers provided directly by WFP as well as Government-to-Person (G2P) payment schemes increasingly supported by WFP, can provide first-time access to—and usage of formal financial services to unbanked and underserved populations and their businesses. When deliberately designed to do so, cash transfers can thereby contribute to longer-term objectives such

4. Financial inclusion interventions refer to WFP's efforts to promote access to the financial system for unserved and underserved populations. Generally, those unserved and underserved populations are disadvantaged, food insecure, vulnerable and low-income segments of society. WFP's interventions aim to increase people's financial health, economic stability and growth, and resilience to shocks. These interventions include efforts to enable digital payments, credit, savings, insurance and more broadly build financial education.

5. In 2024, US\$265 million was transferred to financial accounts of 2.5 million women, with 69 percent of these funds sent via mobile money. WFP envisions supporting 10 million women and their families through their own financial accounts by 2030.



as Digital Financial Inclusion (DFI) and Women's Economic Empowerment (WEE). Other examples of these interventions include the innovations such as PlugPlay, HesabPay and Rescue Card, which are unlocking financial instruments for receiving cash assistance in countries like Zambia, Nepal, Bangladesh, Afghanistan, Haiti and Peru.

- **Interventions unlocking access to inclusive financial services through livelihoods and resilience programmes (non-CBT specific):**

Beyond CBT, WFP actively promotes access to financial services such as credit, savings and insurance as part of broader programmes and innovations promoting resilience and productivity of unserved and underserved populations. These interventions are generally intended to design valuable financial instruments jointly with financial service providers (FSPs). WFP also works at removing barriers hindering FSPs to offer such products through the provision of de-risking, re-financing, capacity and market insights into borrower requirements, as well as other types of support. For instance, WFP has dedicated interventions aimed at strengthening the wider financial inclusion ecosystem and the functioning of agri-food value chains. Examples of these type of interventions include:

- i) dedicated activities promoting financial inclusion in the Smallholder Agricultural Market Support (SAMS) interventions<sup>6</sup>;
- ii) the Inclusive Risk Financing (IRF) activities, previously known as the R4 Rural Resilience Initiative (R4), with the objective of promoting smart integration of financial services such as credit, savings and insurance to build resilience and productivity of food systems;
- iii) the Youth in Work (YIW) programme which aims to strengthen food systems to promote increased value chain employment

6. These include the provision of literacy training to farmers' organizations; leveraging contracts as collateral to facilitate and reduce the cost of credit; establishing revolving funds; establishing savings groups and promoting digital e-commerce solutions, such as Farm2Go where financial services can also be integrated.

opportunities for young people in vulnerable communities, where access to financial services is critical;

- iv) SheCan which aims to further improve economic opportunities for women and their communities by collaborating with FSPs to mobilise resources, enabling them to provide to provide tailored loans to smallholder farmers and micro-entrepreneurs, that take into considerations the needs of women.

- **Interventions unlocking access to financial education:** While financial education is a key component of the interventions mentioned above, WFP also implements dedicated initiatives to enhance financial literacy, ensuring beneficiaries are both empowered and protected when accessing financial services. For instance, through Food Assistance for Training activities, WFP facilitates a series of interconnected interventions through which food insecure participants improve their employability and enterprise viability —including in the digital jobs market — by strengthening their human, social, physical and financial capital.



Namushi Sitali, a 65-year-old, received assistance from a drought insurance policy that WFP had purchased from ARC Replica.

## THE ROLE OF FI TO BUILD PRODUCTIVE AND RESILIENT FOOD SYSTEMS

Food systems should have the capacity to provide sufficient, safe and affordable food and healthy diets for all, even in the face of shocks and stressors, economic disturbance and weather-related disasters. Nonetheless, food systems around the world are deeply flawed—they have substantial environmental impacts, fail to guarantee living wages for many workers, and, most importantly, they are failing at their most crucial function, with 800 million people currently facing hunger in the world. In such a context, building resilient food systems is critical to ensure communities' food security when faced with a myriad of shocks.

Among the strategies able to build resilient food systems, inclusive financial instruments play a vital role. Financial services can be used by vulnerable and food insecure populations to manage risks and increase their resilience to shocks and invest in their futures and aspirations. In the context of weather extremes, for instance, savings accounts, access to credit, insurance, remittances and digital payment systems have the potential to secure and mobilise funding to finance adaptive practices, risk reduction and preparedness, while addressing the financial impacts of weather and other shocks, enabling rapid recovery and long-term stability.

For more than 10 years, WFP has unlocked access to financial services to over 10.5 million vulnerable people through an integrated climate risk management approach, initially building on the R4 Rural Resilience Initiative<sup>7</sup>. Initially building on interventions that scaled-up nature-based solutions, R4 has been targeting communities with an integrated package of climate risk management strategies, using financial services to strengthen their capacity to withstand weather-related shocks and stressors.

Evidence gathered globally over the years highlights the pivotal role of insurance and financial solutions in safeguarding households' food security, livelihoods and productive activities, while also promoting a greater preparedness for weather-related shocks.

Despite this potential, access to financial services is still limited around the globe: 1.4 billion adults are still excluded from the financial system, 80 percent of them living in the most vulnerable countries, where the need for adaptation finance is considerable. This exclusion exacerbates their vulnerability to shocks, as they lack access to key resources needed to recover and rebuild their lives. The growing severity of this issue, intensified by increasing weather-related shocks, demands urgent and decisive action.

This is why, building on years of lessons learned and evidence gathered, R4 has evolved from an initiative into a comprehensive and streamlined Inclusive Risk Financing (IRF) approach, focused on strengthening resilient food value chains. This transition reflects a more integrated strategy, leveraging past insights to create robust frameworks enhancing the sustainability and scale of financial services tailored to build resilient food systems. Such efforts are part of the comprehensive global interventions of WFP to promote financial inclusion, where enhanced integration and coordination will be crucial to enhance the effectiveness of its programmes. This approach aims to continue saving and changing lives, while creating pathways to peace, stability and prosperity for individuals recovering from conflict, disasters and the growing impacts of global shocks and challenges.

7. R4 has been WFP's flagship approach for integrated climate risk management. The initiative has been combining four risk management strategies to strengthen farmers' resilience against weather-related shocks, including nature-based solutions, insurance, savings and loans.



Crystal Gibbs and her nephew stand in front of her house which was damaged by Hurricane Beryl, Grenada.

## Looking Ahead

In 2024, WFP's disaster risk financing (DRF) programmes reached over six million vulnerable people in 37 countries, with insurance payouts totalling nearly US\$50 million—a US\$33 million increase from 2023. Building on this momentum, WFP will expand its DRF initiatives in 2025, further closing the crisis protection gap and ensuring faster, more reliable support to safeguard the food security of communities affected by disasters.

A key priority will be scaling risk financing solutions for fragile states, following the successful launch of WFP's first macro insurance policy for Syria in January 2025, covering WFP's operations from the start of 2025. This year, WFP will work to expand this approach to other fragile contexts, ensuring that populations in high-risk, conflict-affected regions receive timely financial protection against extreme drought and other weather-related shocks. Additionally, WFP will increase the number of countries covered for catastrophic droughts, strengthening financial resilience in the face of increasingly severe extreme weather events.

Enhancing response preparedness will be another critical focus area. WFP will work closely with the Anticipatory Action (AA), Emergency Preparedness and Response (EPR), and Social Protection (SP) teams to ensure that macro-level risk financing mechanisms are embedded in robust, well-planned response strategies. This includes developing comprehensive contingency plans, linking macro insurance with shock-responsive social protection, and ensuring that payouts lead to early, effective interventions that protect food security and livelihoods. A key focus will be linking DRF to national social protection systems, enabling governments to respond to crises more efficiently and strengthening WFP's ability to protect more people through pre-arranged financing. This integration will help deliver faster, more cost-effective assistance, ensuring the most vulnerable receive timely support.

Innovation will be central to WFP's DRF expansion in 2025. In Eastern Africa, WFP will pilot artificial intelligence (AI) solutions and integrate climate risk insurance with anticipatory action (AA) to protect the



food security of farmers and pastoralists before a hazard materializes. Additionally, WFP will continue exploring blended finance solutions—leveraging development and philanthropic funds to attract private capital for disaster risk financing. This includes strengthening initiatives like SheCan and WFP BRIDGE from the Innovation Accelerator, which connect impact investors, crowdlending platforms and WFP donors to provide concessional loans and support financial inclusion.

Under its Inclusive Risk Financing (IRF) portfolio, in 2025 WFP aims to provide access to a diversified portfolio of financial instruments—including insurance, savings and loans—to three million beneficiaries across 22 countries. These initiatives are crucial for building resilient and productive food value chains. WFP will continue to reinforce the integration and ownership of financial instruments within national systems in countries such as Ethiopia, Zambia, Guatemala and Malawi. WFP will also advance the Africa Integrated Climate Risk Management Programme (AICRM) in the Sahel region, focusing on building resilience through its expertise in food security and disaster risk financing, leading the microinsurance component of the programme in seven countries.

Under its macro-level risk financing portfolio, WFP aims to protect over three million people across more than 20 countries in 2025. WFP will continue to adopt a risk-layering approach, testing various instruments tailored to different frequencies and severities of risks. The analyses of the dynamics of how disasters impact women, men, girls and boys differently will remain crucial, with this understanding integrated into contingency and action plans for Mozambique and Somalia. Additionally, plans are in place to conduct additional climate-sensitive analyses where feasible, with a focus on considering the different impacts on both women and men. Stronger integration across workstreams will be key to streamlining emergency response processes, improving coordination, and ensuring a more cohesive and efficient crisis response.



Louise George holds the envelope she was given by WFP as part of the support to residents of Carriacou Island after Hurricane Beryl, Grenada.

Globally, scaling up its existing portfolio and extending DRF programmes into new countries will remain a top priority, with the goal of reaching six million people across 25 countries by 2025. WFP will continue to focus on generating evidence that highlights the value of pre-arranged financing as a critical tool for closing the crisis protection gap, while also building evidence on how financial inclusion strengthens resilient and productive food value chains.

To further extend its impact, WFP will deepen partnerships with global networks like the Global Shield against Climate Risks and the Insurance Development Forum (IDF) and strengthen collaboration with agencies such as the International Fund for Agricultural Development (IFAD), Zep RE, the African Risk Capacity (ARC), the Caribbean Catastrophe Risk Insurance Facility (CCRIF SPC), the Pacific Catastrophe Risk Insurance Company (PCRIC) and the Southeast Asia Disaster Risk Insurance Facility (SEADRIF) as well as a number of private sector partners. Together with our humanitarian and donor partners, WFP is committed to building a more resilient future for the communities we serve, ensuring that no one is left behind in the face of escalating crisis.





Puteho Mutelo, WFP beneficiary receiving ARC Replica payout-funded assistance in Zambia.



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**Page 112:** WFP/Rheanna Chen

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