



Jeanine, a beneficiary of the inclusive risk insurance programme, sprays the sweet potato field in Bevala, Madagascar



World Food Programme

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Partnering with WFP to protect communities from weather-related shocks: Inclusive risk financing

As the global climate crisis intensifies, its most severe consequences are being experienced by the world's most vulnerable communities. The escalating number of extreme weather events in recent years has shattered climate records and livelihoods alike, with climate shocks and stresses killing crops and livestock, degrading soils, and damaging infrastructure and agricultural assets.

In response to these challenges, the World Food Programme's (WFP) Inclusive Risk Financing (IRF) programmes offer a lifeline

to those whose lives and livelihoods are threatened by the impact of weather-related shocks. IRF programmes typically leverage WFP's resilience building and smallholder farmers' support interventions, providing access to tailored financial services, such as formal and informal savings schemes, climate risk insurance and credit, which allow vulnerable smallholder farmers, pastoralists, and small and medium entrepreneurs (SMEs) to better manage risks deriving from droughts, floods and storms.

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The IRF approach builds on the former R4 Rural Resilience Initiative (R4), launched in 2011 in collaboration with Oxfam America. R4 has pioneered innovative methods to address the impacts of climate shocks, by combining nature-based solutions that reduce communities' vulnerability, with access to financial services, such as household-level climate risk insurance to protect people's livelihoods in case of shocks, as well as savings and credit. Drawing on years of experience and evidence, R4 has evolved into the IRF approach designed to reflect a more integrated strategy that leverages past insights to enhance the sustainability and resilience of food value chains.

In 2024, WFP's IRF solutions reached 3.1 million people across 21 countries, exceeding its target of 2.5 million people. These efforts provided financial protection totalling nearly US\$250 million. In response to the severe impacts of climate shocks, including the El Niño-induced drought in Southern

Africa, **US\$41.5 million in insurance payouts were distributed**, benefiting almost 1.5 million people. Countries with direct WFP engagement include Bangladesh, Burkina Faso, Côte d'Ivoire, Cuba, Ethiopia, Guatemala, Haiti, Iraq, Kenya, Kyrgyz Republic, Madagascar, Malawi, Mozambique, Senegal, and The Gambia, with technical assistance provided to the Democratic Republic of Congo, India, Lesotho, Zambia, and Zimbabwe.

How to contribute: Scaling up Inclusive Risk Financing

Since 2011, a dedicated Trust Fund channels IRF related funding. This mechanism enables strategic, flexible, and impactful investments that help scale up protection for vulnerable communities. The Trust Fund modality adds value in the following ways:



Abdukelif Hassen, a 54-year-old father of eleven, is an active VSLA member and livestock insurance beneficiary from Higlo Village in Ethiopia's Somali region

- **Strategic Funding:** Flexible, long-term investments are needed to fill critical funding gaps, ensuring the continuation of global technical support and the growth of country-specific programmes.
- **Research and Evidence:** Support for research to build solid evidence on the added value of insurance and financial services in strengthening the resilience of households and food systems, , including robust monitoring and evaluation. Enabling consistent evaluation and learnings across different geographies for better programming and donor reporting.
- **Expansion and Innovation:** Initial funding is critical to enable the introduction of the IRF programme in new regions, support product design and the adoption of innovative solutions tailored to local risk profiles.
- **Premium Subsidization:** Allowing WFP to make transfers to vulnerable households by paying part of the premiums during a few initial years, thereby expanding access to climate risk insurance to segments of the population that would otherwise be excluded.

- **Technological Advancements:** Investment in technologies like remote sensing, satellite imagery and digital platforms to improve insurance delivery.

Who is supporting WFP?

The scale up of WFP's IRF portfolio was possible thanks to the multi-year financial support from long-term donor partners including Canada, Denmark, European Union, Flanders, Germany, Republic of Korea, Russian Federation, Sweden, Switzerland, U.S.A., Adaptation Fund and Green Climate Fund.

Your partnership and support are more than a contribution—they are an investment in a sustainable and resilient future for millions. With your engagement, we can continue to weave a stronger safety net for those facing the brunt of the climate crisis, enabling communities to not just survive but thrive in the face of adversity.

JOIN US IN BUILDING RESILIENT COMMUNITIES

Contacts:

Mathieu Dubreuil, Mathieu.dubreuil@wfp.org

Azzurra Massimino, Azzurra.massimino@wfp.org

Andrea Camargo, Luzandrea.camargo@wfp.org

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