

Issue # 2

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What's New in the Global Index Insurance Facility

[Kilimo Salama wins the FT/IFC's Award for Technology in Sustainable Finance](#)

Kilimo Salama (KS) is an innovative index-based insurance product that insures farmers' inputs (seeds, fertilizer, pesticides), and outputs (crop harvests), in the event of drought or excessive rainfall. Kilimo Salama uses weather stations to collect data and implements SMS-based mobile technologies to administer and distribute the payouts. The KS product is a partnership between the Syngenta Foundation for Sustainable Agriculture and Kenyan insurance company UAP.

In November 2010, the Global Index Insurance Facility entered into an agreement with the Syngenta Foundation providing a grant to incentivize the Foundation to design new and affordable index-based insurance products, develop SMS-based platforms, and scale-up agricultural index insurance into a commercially-viable product. By June 2012, **Kilimo Salama had provided insurance coverage to more than 51,000 farmers across the country, having started with an initial pilot of 200 farmers in 2009.**

In June 2012, Kilimo Salama won a 2012 Financial Times / IFC Sustainable Finance Award in the 'Technology in Sustainable Finance' category.



UAP/Syngenta Foundation team receiving the award in London

The winners were announced at the Sustainable Finance Awards Dinner in London on June 14. The FT/IFC Sustainable Finance Awards are the major global awards for environmentally and socially responsible banking and investment.

For more information, please visit the website at [FT/IFC Sustainable Finance Awards](#) or read our [feature story](#) on the IFC website.

To read more about the project please click [here](#)

GIIF Projects Updates

- GIIF's Technical Partner, Swiss Re, highlighted Planet Guarantee's work in Mali in their recent Corporate Social Responsibility report *Committed to Sustainable Value Creation*. The article ***Drought insurance for maize farmers in Mali*** provides information on Planet Guarantee's insurance protection for maize farmers in the Sikasso region, the use of satellite data to overcome data challenges and the project team's collaboration with Oxfam to educate farmers on index insurance. To access the full article please click [here](#).
- GIIF's premium subsidy project with the International Livestock Research Institute (ILRI) in the Marsabit district of Northern Kenya announced that more than 1,075 beneficiaries received pay-outs. The insurance contracts triggered the first payments in October 2011 following a prolonged year-long drought from August 2010 where 625 insured clients were paid. The contracts triggered payments in all the five divisions of the district and all the active contract holders received their payments. The second payments were made in March 2012 to 450 insured clients in two out of the five divisions in Marsabit. There was widespread agreement with the livestock mortality rates predicted by the model both times.

Funding Updates

- IFC's Performance Based Grants Initiative (PBGI) for the Access to Finance Advisory Services program, has committed US\$2.4 million to the GIIF program for use in project financing in IDA countries.

[Weather index-based insurance in Sri Lanka](#)

The Global Index Insurance Facility program partnered with Sri Lanka's SANASA Insurance to develop a simple, flexible, and affordable **Weather-Index Based Crop Insurance option that caters to diverse client needs and affordability levels for food crops in Sri Lanka.**

The project also educates farmers on risk management while raising awareness on the availability of index insurance and its benefits. Through these interventions, IFC and SANASA Insurance hope to improve access to finance for farmers by providing protection against losses due to unfavorable weather conditions.

Please click [here](#) to read more about the project.



Pictured left is the GIIF South Asia team with Sanasa farmers. The visit took place in Heeyaray, a small town in Galle District in March. The GIIF project team was accompanied by the Sanasa Insurance project management team.

Upcoming Events

- The GIIF program will be featured in the 2011 World Bank Group Trust Fund Program Directory, which is the main Trust Fund outreach document for internal clients and donors. In the report, the GIIF Donors and their funding contributions were duly recognized. The report is expected to be released during the first quarter of FY13

Please click [here](#) to read a copy of the previous year's directory.



Donors and Partners

The European Commission is the primary donor to GIIF and has committed EUR 24.5 million to facilitate reaching the objectives of the facility. The GIIF Trust Fund (GTF) is also supported by Japan's Ministry of Finance with a grant of US \$3 million, and the Dutch Ministry of Foreign Affairs, which provided US \$500,000 to establish the facility.

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