Countries Day
Peer to Peer Exchange

Country Impact Stories

Senegal

Insurance at the Macro, Meso, and Micro levels

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Global Shield Financing Facility

Disaster Risk Financing & Insurance Program

SUPPORTED BY WORLD BANK GROUP

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Here with you today from Senegal

Cheikh Diouf

Role: Commissioner and Comptroller of Insurances (Commissaire contrôleur)

Department: Insurance Directorate, General Directorate of the Financial Sector, Ministry of Finance and Budget

Professional background: Cheikh Diouf is Commissioner and Comptroller of Insurances in Senegal. He has worked at the Insurance Directorate of the Ministry of Finance since 2009, focusing on life insurance supervision. Since 2017, he has served as the permanent supervisor of SAAR Vie Assurances Sénégal. He also teaches in several leading academic institutions in Senegal and was part of the a2ii Innovation Lab. He holds advanced degrees from IIA in Yaoundé (Cameroon), ISFA of UCBL (France), WQU (USA), and HEC Paris.

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Country Context

What impacts us

Key Perils

Volatility of weather conditions: droughts, floods, coastal erosion, etc.

Variability in agricultural production and yields affecting the livelihoods of rural populations and leading to food insecurity

Difficulties for rural populations in accessing credit due to high exposure to climate shocks

What are we currently doing

Current DRF Program / Strategy

- **At the macro level:** Senegal's membership in the African Risk Capacity (ARC), a specialized agency of the African Union (since 2012)
- **At the meso and micro levels:** Establishment of the National Agricultural Insurance Company of Senegal (CNAAS), offering index-based insurance products for rainfall, yield loss, and hybrid models (since 2008)
- **New development:** Involvement with the Global Shield against Climate Risks (since 2024) and development of a National Strategy for Climate and Disaster Risk Financing (since 2025)

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DRF Program Deep Dive

Program Overview

- **At the macro level:** Subscription to insurance policies through the African Risk Capacity (ARC)
  - Subscription to three index-based insurance contracts: a drought risk insurance contract, a pastoral insurance contract, and a PACAN (catastrophe-adapted loans) insurance contract.
- **At the meso and micro levels:** Coverage of farmers and herders by the National Agricultural Insurance Company of Senegal (CNAAS), a semi-public company set up as a PPP
  - Provides farmers, cooperatives and agricultural federations with state-subsidized insurance coverage against agricultural risks, with 50% of the premium subsidized by the State and a total exemption from tax on insurance contracts.

Key Impacts

- **At the macro level:** In the event of a drought, vulnerable populations are quickly assisted, with targeting carried out using the Unique National Registry (RNU).
- Individuals receive compensation from the insurer, which enhances their resilience.
- **At the meso and micro levels:** Meso- and micro-level insurance enables insured populations to access credit more easily from banks and microfinance institutions.

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Challenges and Way Ahead

Key challenges?

- Strengthening financial literacy among the population
- ARC drought insurance extension
- Subscribing to a parametric flood insurance from ARC
- Creation of an index-based insurance product for artisanal fishing
- Mobilization of additional sources to finance insurance premiums (AfDB, BOAD, other donors)
- Increased government subsidies for agricultural insurance premiums

Opportunities

- Implementation of the National Strategy for Climate and Disaster Risk Financing, for instance through the establishment of a National Climate and Disaster Risk Response Fund, in addition to other risk financing instruments
- Support from the Global Shield against Climate Risks
- Support from technical and financial partners (World Bank, UNDP, etc.)

Where do you see the DRF program in next 5 years?

Over the next few years, the **National Disaster Risk Financing Strategy** is expected to make populations more resilient to climate and disaster risks by clarifying strategic priorities concerning the strengthening of risk understanding, stakeholder coordination, complementarity between existing FRC instruments, and donor mobilization.

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What can private sector do?

Asks from Private Sector

- Development and promotion of insurance products
- Work with the government to devise risk-sharing mechanisms, for example through compensation funds or public guarantee schemes
- Finance risk management awareness and training programs
- Innovate by creating insurance products tailored to people's needs
- Provide insurance and reinsurance capacity for climate risks