DRF for Agriculture and Climate Resilient Livelihoods

March 5th, 2024
Muldersdrift, South Africa

Session 4
Country Presentations – Introductions and learning objectives
Delegates from 10 countries participating in the Workshop

- Eswatini
- Kenya
- Lesotho
- Namibia
- Rwanda
- Somalia
- South Africa
- Uganda
- Zambia
- Zimbabwe
Overview of Eswatini’s agriculture and livelihood

Eswatini’s Agriculture Livelihood Overview

Agriculture, forestry, and fishing key facts
- 17,460 ha of agricultural lands
- 13.5% employed within the Agriculture sector
- Agriculture, forestry, and fishing, value added represented 21% of GDP

Adoption level
- Have accounts\(^1\): 49% women, 52% men
- Insurance: 25% of population covered

Usage
- 12.5% received domestic remittance\(^2\)
- 40% used saving accounts

Source: 1) Ministry of Agriculture land use planning and development; 2) Labour Force Survey 2021; 3) Finscope 2018
Note: 1) % age 15+. 2) Received domestic remittances: through a money transfer service (% of recipients, age 15+)
# Eswatini programs to support financial resilience of agricultural livelihoods

<table>
<thead>
<tr>
<th>Objectives/ Pain points</th>
<th>Solutions</th>
<th>Outcome &amp; challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low productivity and production volumes by smallholder maize farmers in the country due to inadequate capacity and poor access to finance for venturing into commercial production and structural exclusion from the formal markets that offer better prices (milers)</td>
<td>Establishment of the Agriculture Development Fund with facilities for de-risking agriculture value chains</td>
<td>What is working well?</td>
</tr>
<tr>
<td>Productivity is also constrained by poor/limited access to farming implements, low investment in inputs.</td>
<td>Smallholder farmers input subsidy scheme</td>
<td>Assist farmers to reduce production costs</td>
</tr>
<tr>
<td>Increase returns from sustainable farm and non-farm enterprise</td>
<td>Financial Inclusion Cluster Development Project (FINCLUDE)</td>
<td>Increase profitable and resilient links to markets and access to appropriate financial services</td>
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</tbody>
</table>

What is not working well?
- Financial institutions consider the agriculture sector as a high risk
- Lack of access to finance and technology for smallholder farmers

What are your priorities over the next 3 to 5 years?
- Ensure national planning and budgeting systems are informed by climate and disaster risk analysis
- Improve social protection systems to be responsive to disasters, protecting the most vulnerable population and building their resilience
- Establish a Disaster Management Fund
- Increase access to affordable agriculture finance
- Strengthen early warning systems and ensure everyone in the country is reached with actionable early warning system
Eswatini team’s learning objective

**Need**
Increase in the risks and hazards affecting the country causing widespread humanitarian crisis, long term setbacks in development efforts and bleeding the economy to a near state of emergency

**Vision**
Effective finance management system for DRM through a combination of financial instruments, regulatory frameworks and strong institutions to ensure resilient and disaster safe and Kingdom of Eswatini

**Objective**
To be equipped with the knowledge and tools necessary to navigate the challenges posed by climate risks and better protect the agriculture systems and ensure food security and ensure resilient livelihoods
Overview of Kenya’s agriculture and livelihood

Kenya’s Agriculture Livelihood Overview

- **582,646 sq. Km** Kenya’s land area
- **40% employed** within the Agriculture sector
- **USD 19.38 bn. value** of agriculture in 2022
- Agriculture, forestry, and fishing, value added represented **21% of GDP**
- *Agriculture sector contributes to 33% of country GDP*
- **USD 1.6 bn value** of agricultural exports in 2022

Financial inclusion*

- **Have accounts¹**: 79.2%, 75% rural
- **Financial Institution account**: 62% urban, 45% rural
- **Own a credit card¹**: 6.4%, 5.5% rural

Adoption level

- **12.5%** received domestic remittance²
- Borrowed from FI: **25.1%** urban, **21%** rural
- **11.1%** used a debit or credit card

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*Source: Adapted from Davis and Pearce (2001), World Bank Financial Inclusion Data Bank. *data for 2021
Note: 1) % age 15+, 2) Received domestic remittances: through a money transfer service (% of recipients, age 15+)*
Kenya programs to support financial resilience of agricultural livelihoods

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<tr>
<td>DRIVE - To enhance pastoralists' access to financial services for drought risk mitigation, include them in the value chains, and facilitate the livestock trade in the Horn of Africa</td>
<td>Package of financial services for climate resilience ($75 Million) - Support the provision of an integrated package of financial services to build climate resilience</td>
<td>What is working well?</td>
</tr>
<tr>
<td>Livestock Value Chains and Trade Facilitation ($65 Million) - Better include pastoralists in the livestock value chain and facilitate trade in the Horn of Africa</td>
<td></td>
<td>- Private Sector Lead – Involvement of local insurers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Regional Implementation by a single regional entity via local private sector players and international reinsurers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Extensive lessons learnt from current and previous drought schemes (KLIP and SIIPE)</td>
</tr>
<tr>
<td>What are your priorities over the next 3 to 5 years?</td>
<td>Enhance awareness and coverage of on IBLI insurance, improve on the linkages between financial inclusion and trade facilitation components as a way of promoting sustainability, and look for possibility of having multi-hazard IBLI that covers floods.</td>
<td>What is not working well?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The project not offering physical mitigation measures has presented low acceptance in county governments leadership</td>
</tr>
</tbody>
</table>
Kenya team’s learning objectives

**Need**
We are currently implementing IBLI under DRIVE project. Some of the challenges are related to policy framework while others are technical aspects that have limited coverage to all parts of the country.

**Vision**
Availability and affordable IBLI covering the entire country.

**Objective**
Deepen knowledge on DRF, IBLI product development and how to address policy challenges.
Lesotho’s  Agriculture Livelihood Overview

Agriculture, forestry, and fishing key facts
- 277,100 sq. Km of agricultural lands
- 33% employed within the Agriculture sector
- 364 million of agriculture exports excluding livestock in 2022
- Agriculture, forestry, and fishing, value added represented 6.1% of GDP

Financial inclusion*

Adoption level
- Have accounts1: 79.2%, 75% rural
- Own a credit card1: 6.4%, 5.5% rural

Usage
- 12.5% received domestic remittance2
- 11.1% used a debit or credit card
- 63.63% used saving accounts

Source: Adapted from Davis and Pearce (2001), World Bank Financial Inclusion Data Bank.*data for 2021
Note: 1) % age 15+, 2) Received domestic remittances: through a money transfer service (% of recipients, age 15+)
## Lesotho programs to support financial resilience of agricultural livelihoods

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</table>
| **Support commercial and semi-commercial farmers towards accessing domestic and export markets while simultaneously proving opportunities for smallholders to commercialize** | **Farmers have access to matching grants to finance investments and increase on-farm production and productivity** | **What is working well?**
- Increase in agricultural production
- Increase in access to both domestic and export markets |
| **What is not working well?** | **Aggregators, processors and other business enterprises access matching grants to facilitate investments in postharvest infrastructure and management** | **What is not working well?**
- Agri-businesses owned by groups fail due group dynamics
- Delays in accessing agricultural inputs due to government procurement processes |

### What are your priorities over the next 3 to 5 years?
- Increase grain production: maize, wheat and beans,
- Increase high-value horticulture production: mushroom, seed potato, tomato, asparagus, peach and apple
- Increase market driven livestock and livestock products: broiler, eggs, fish, beef, wool and mohair
- Promote household dietary diversity
Lesotho team’s learning objective

Need

1. **Need** to have measures in place that build resilience
2. **Need** to establish financing options to build resilience

Vision

The **vision** is to have an agricultural sector that is resilient against the impacts of climatic and economic shocks.

Objective

The **Learning objective** is to learn about different financing instruments that can be used for building resilience and responding to shocks and disasters.
Overview of Namibia’s agriculture and livelihood

Namibia’s Agriculture Livelihood Overview

Agriculture, forestry, and fishing key facts

- 388,090 sq. Km of agricultural lands
- 16.43% employed within the Agriculture sector
- N$ 1.6 bn. value of agriculture exports in 2022
- Agriculture, forestry, and fishing, value added represented approximately 19.9% of GDP (t)
- MT of dairy production representing 12-15% of GDP

Source: NSA Q3 2023 report

Financial inclusion*

Adoption level

- Have accounts: 75% rural 60%
- Own a credit card: 13.25%
- Saving account: 80.5%
- Insurance: 30.1% of population covered

Usage

- 61% received domestic remittance
- 16% used a debit or credit card
- 65% used saving accounts
- 0.4% renewed or changed policies (Non-life)

Source: NSA Q3 report, 2021 Global Findex Database
Note: 1) 2017 FIN scope
Financial Inclusion survey 2017
## Namibia’s programs to support financial resilience of agricultural livelihoods

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<tr>
<td>- Set up an effective agriculture index based insurance that caters for need of smallholder farmers and DRF scheme/framework</td>
<td>- Design and implement national Agric index based insurance products, programs to cater for smallholder farmer</td>
<td>- What is working well?</td>
</tr>
<tr>
<td>- Effects and impact of drought on a rise due to worsening climate change</td>
<td>- Coordinated activities and plans in place to address risks farmers face</td>
<td>- Sufficient literature developed</td>
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<tr>
<td>- Not sufficient measures in place</td>
<td>- Develop a disaster risk management strategy</td>
<td>- Assessment and scoping</td>
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<tr>
<td>- Unsustainable GRN funding</td>
<td>- Develop local infrastructure</td>
<td>- Stakeholder commitment</td>
</tr>
<tr>
<td>- Fragmented efforts</td>
<td>- Source funding to develop framework</td>
<td>- State resources, which could be complemented</td>
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<tr>
<td></td>
<td>- DRF framework- develop and set up program for the poor subsistence farmers</td>
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</table>

### What is working well?
- Sufficient literature developed
- Assessment and scoping
- Stakeholder commitment
- State resources, which could be complemented

### What is not working well?
- Lack of interest especially private sector
- Competing GRN interest
- Insufficient GRN support and resources
- Insufficient funding
- Lack of infrastructure
- Lack of technical expertise and skill

### What are your priorities over the next 3 to 5 years?
- Source funding
- Set up framework and build capacity
Namibia team’s learning objective

**Need**
- Effects of drought on farmers are severe, traditional risk mitigants not sufficiently addressing the problem, and GRN funding is unsustainable.
- Don’t have effective programs to address the risks and impact.
- Losses suffered and risk to food sustainability.
- Need to develop insurance that has an impact and is suitable/affordable for the insured.

**Vision**
- Design and implement a National insurance scheme to address risk from disasters (drought and flood) resulting from the impact of climate change.
- Develop a national DRF framework for the poor subsistence farmers and pool resources.

**Objective**
- To implement, run, and sustain effective Agri index insurance schemes for crops and animal.
- To ensure subsistence farmers are covered against the loss originating from climate change.
- Built and strengthen national disaster risk mitigation framework through a DRF.
Overview of Rwanda’s agriculture and livelihood

Rwanda’s Agriculture Livelihood Overview

- **Agriculture, forestry, and fishing key facts**
  - 1,370,000 ha of agricultural lands
  - 53.4% employed within the Agriculture sector
  - $857.2 Million of agriculture exports in FY 2022/2023
  - Agriculture, forestry, and fishing, value added represented 25% of GDP
  - 91,791,675 Litters of Milk supplied to Milk Collection Centers. And generally, Livestock activities contribute 13% to the GDP

- **Financial inclusion**
  - Adoption level
    - Have accounts¹: 68%, 74% rural and 93% financial inclusion
    - Own a credit card¹: 40%,
    - Saving account: 71% of adult pop.
    - Insurance: 22% of population covered
  - Usage
    - 45% received / sent money in terms of remittance²
    - 43% used a debit or credit card
    - 60% used saving accounts

Source: add source here please
Note: 1) % age 15+, 2) Received domestic remittances: through a money transfer service (% of recipients, age 15+)
## Rwanda programs to support financial resilience of agricultural livelihoods

### Objectives/ Pain points
- Commercialization and De-Risking Agriculture Program
- Establishment and operationalization of Insurance Scheme
- Policies and strategies in regard to the Agri Financing Mechanisms

### Solutions
- Availability of Funding pool mechanism
- Making more agriculture resilient in terms of food production and security
- Capacity development of farmers, value chain development and linkage to market and FIs

### Outcome & challenges

#### What is working well?
- Access to Agri Finance at 8%, the lowest interest ever, has always been below 5%
- Access to the matching grant facilities to promote entrepreneurship business in Rwanda
- More farmers starts understanding and benefiting from government interventions in agri-financial resilient

#### What is not working well?
- Limited private sector-led related solutions in agri. disaster management
- Lending to the agriculture sector remains low
- Limited skills in analyzing and grasping business benefits in agri sector
- Need for extensive awareness and capacity building of farmers to enable them to access financial facilities available within the market

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**What are your priorities over the next 3 to 5 years?**

Transform Rwandan agriculture from a subsistence sector to a knowledge-based value creating sector, that contributes to the national and ensures food and nutrition security in a sustainable and resilient manner.
Rwanda team’s learning objective

**Need**
How best to prepare a dynamic and implementable disaster risk financing strategy

**Vision**
To put in place a dynamic and implementable disaster risk financing strategy for Rwanda

**Objective**
- How best should countries prepare and deal with disasters
- How are other sectors and agencies working together to deal with disaster
- Which countries can we benchmark on as best practices in dealing with disasters
Overview of Somalia’s agriculture and livelihood

Somalia’s Agriculture Livelihood Overview

Agriculture, forestry, and fishing key facts
- **81,000 sq.Km** of agricultural lands
- **46% employed** within the Agriculture sector
- **$ 704m. value** of agriculture exports in 2022
- Agriculture, forestry, and fishing, value added represented **75% of GDP**
- **$2.8bn of** annual dairy production is estimated (2014) representing a good contribution to GDP

Financial inclusion*

**Adoption level**
- Have accounts\(^1\):
  - 8.8% population aged 15+
  - 7.7% rural
  - 10.3% urban
  - 2% nomadic

**Usage**
- 75% of adults use mobile money
- 20.7% received domestic remittance\(^2\)

Source: Somalia integrated household budget (SIHBS 2022)  
Note: 1) % age 15+. 2) Received domestic remittances: through a money transfer service (% of recipients, age 15+) – SIHBS 2022
## Somalia programs to support financial resilience of agricultural livelihoods

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<tr>
<td>Index based livestock insurance (IBLI)</td>
<td>IBLI protects pastoralist producers’ livestock assets and livelihoods from devastating drought by giving subsidized livestock insurance. IBLI also connects rural pastoralists to financial service by opening them saving accounts</td>
<td>What is working well?</td>
</tr>
<tr>
<td>Livestock value chain fund</td>
<td>Livestock value chain fund improves access to financing for livestock producers through a joint lending fund between DRIVE project and selected local commercial banks. The facility also mobilizes capital towards livestock production</td>
<td>IBLI is working well, with over 100k rural pastoralists well connected to financial services and using bank accounts</td>
</tr>
<tr>
<td>Shock responsive safety net Baxnaano</td>
<td>Safety net program protects Agri community from intense droughts</td>
<td>Livestock value chain fund is a welcomed idea, prepared to serve financing loans to livestock producer groups in the value chain</td>
</tr>
<tr>
<td>Gargaara Financing facility</td>
<td></td>
<td>Some productive sector producers (crop, fish &amp; livestock) have obtained financing opportunities from the Gargaara facility</td>
</tr>
</tbody>
</table>

### What is not working well?
- Safety net programs are helping significantly, but some families show dependency on the program
- Collateral is a challenge in the Gargaara facility

### What are your priorities over the next 3 to 5 years?
- **Enhancing financial resilience** of the productive sector by **boosting development financing in agriculture** (crop, livestock, and fishery production, including technical change). **Climate resilience financing** in agriculture via increase of access to **accessible credit and financial services to farmers** in microfinance institutions in Somalia
- **Capacity building and Knowledge transfer**, i.e., technical assistance and extension services to those involved in agriculture
- **Policy and government reforms** by strengthening institutions responsible for agriculture
Somalia team’s learning objective

**Need**
Due to Somalia's susceptibility to natural disasters, this session is necessary to improve Somalia's comprehension of disaster risk reduction and financial alternatives while meeting immediate requirements.

**Vision**
To increase Somalia's food security, stability, and promote a robust agricultural sector capable of withstanding the effects of climate change.

**Objective**
Our goal is to increase our understanding of disaster risk finance mechanisms so that we can create long-term strategies to lessen the effects of climate change on agriculture.
Overview of South Africa’s agriculture and livelihood

South Africa’s Agriculture Livelihood Overview

Agriculture, forestry, and fishing key facts
- 1,221,037 sq. Km of agricultural lands and 84.8 mln ha classified as agricultural land
- 894,000 people employed within the Agriculture sector
- $12.8 bn. value of agriculture exports in 2022
- Agriculture, forestry, and fishing, value added represented 2.2% of GDP
- 3.427 MT of dairy production, representing 17.8 bn. value
- Average yield of Maize 7.7 Mt to 16.8 Mt for white maize

Financial inclusion*
- 81% have a bank account (above age of 16)
- Access to credit: 64%
- Savings account: 52%
- Insurance:
  - 52% of the population covered
  - 19% excluding funeral cover
  - Agricultural insurance penetration is below 1%

Adoption level

Usage
- R11.2 bn per annum remittance from RSA to SADC
- 68% through informal channels
- 3.2 million SADC migrant population in RSA

Source: BFAP, AgBiz, World Bank, DALRRD, and FSCA
South Africa programs to support financial resilience of agricultural livelihoods

### Objectives/ Pain points
- Low economic growth, continuing high unemployment levels, higher consumer prices, and greater household dependency on credit.
- The financial health of South African households decline over recent years.
- Limited access to financial products particularly credit by most smallholder producers due to a lack of collateral.

### Solutions
- Improving financial inclusion through the establishment of movable collateral registry and improving tenure rights of rural farmers in communal areas.
- Design of affordable insurance products linked to existing producer support programmes.
- Investment in financial literacy programmes as they are found to positively and significantly influence financial inclusion.

### Outcome & challenges

**What is working well?**
- Support interventions and capacity building initiative offered by government and its partners (e.g., Jobs Fund, Blended Finance Scheme etc.).

**What is not working well?**
- Limited product and services tailored to meet the needs of smallholder producers esp offered by financial institutions.
- Duplication of support interventions offered by government and its partners.

What are your priorities over the next 3 to 5 years?

Improving financial inclusion through the establishment of movable collateral registry and improving tenure rights of rural farmers in communal areas.
Climate change is frequent in the country and affecting the sector which result in low production yields (i.e. droughts, heat waves, floods) especially to disadvantaged farmers.

The government is planning to introduce an affordable agricultural insurance products through Public Private Partnership to deal with the socio-economic impact of climate change.

Research and practical experience of solutions that assist in addressing the socio-economic impact of climate change.
Overview of Uganda’s agriculture and livelihood

Agriculture, forestry, and fishing key facts
- **277,100 sq. Km** of agricultural lands
- 71.2% of the land is used for agriculture,
- 14% is under forest cover
- 14.3% is under other uses
- **68% employed** within the Agriculture sector
- **35% of** export earnings are from agriculture exports
- Agriculture, forestry, and fishing, value added represented **24% of GDP**
- Experiences tropical climate; general rain throughout the year with two dry seasons

Financial inclusion
- **Have accounts**: 69%
- **Own a credit card**: 6.4%, 5.5% rural
- **No. of bank accounts**: 24,000,000 accounts
- **Insurance**: 0.77% insurance penetration
- **Supervised FIs**: 25 banks, Tier 2 are 4, tier 3 are 3
- **Branch network**: 581 branches, by June 2023
- **Total Deposits**: UGX 35Tn.

Adoption level
- **12.5% received domestic remittance**
- **11.1% used a debit or credit card**
- **Total loan outstanding, ugx 19.9Trn.**
- **NPL 5.7%**
- **Total Assets for the industry is ugx 46.1Trn.**

Source: 1) Global findex data, 2) Uganda Bureau of Statistics
Note: 1) % age 15+, 2) Received domestic remittances through a money transfer service (% of recipients, age 15+)
Current programs to support financial resilience of agricultural livelihoods

**Objectives/ Pain points**

- Improve the access to agricultural loans, refinancing and guarantee framework
- Increase agricultural production
- Increase household incomes
- Improve agricultural enterprises
- Hedging the Ugandan farmers against the effects of climate change and attract financing to Agriculture

**Solutions**

- The Agricultural Credit Facility (ACF), a PPP intervention where Government of Uganda and the Participating Financial Institutions (PFIs) pull fund on agreed ratios, providing access to low interest rates and adequate grace period to the targeted borrowers, encouraging cheap credit to the agricultural sector
- Parish Development Model (PDM), multi-sectoral strategy to create socio-economic transformation by moving the 39% households still stuck in subsistence, to the money economy with the Parish/Ward as the Epi-Centre for planning, budgeting and service delivery

**Outcome & challenges**

**What is working well?**

- Total active PFIs: 20
- Cumulative loan disbursements: Ugx. 840,96.5 bn
- Total projects funded: 3,744
- Short loan application process
- Formed 10,895 PDM SACCOS;
- Total funds released since inception (1,294.6 Bn)
- Total Saccos formed (10,594), capitalized (10,585)
- Total Enterprise groups formed 148,320
- Total funds disbursed (1,018.8 Bn), with 1.6m beneficiaries

**What is not working well?**

- Gender inequality
- Limited due to banking limitations in rural areas
- Lack of bankable agricultural projects
- Limited Capital
- Length write off period
- De-risking products are slowly being developed.
- Absence of impact studies

**What are your priorities over the next 3 to 5 years?**

- Capitalize the ACF, create mass awareness of the ACF, Bundle the ACF with Agricultural Insurance
- Continue to capitalize the revolving fund, stabilize and sustain the PDM enterprises and SACCOS
- Move 39% of the household from subsistence Economy to Money Economy with the Parish/ward as the Epi-Centre for planning, budgeting and service delivery
Our team’s learning objective from this workshop

**Need**
To deepen our understanding of the DRF solutions and Agricultural Insurance for purposes of improving the resilience of households in Uganda

**Vision**
Resilient rural households in Uganda

**Objective**
To improve the financial resilience of rural households in Uganda
Overview of Zambia’s agriculture and livelihood

Zambia’s Agriculture and Livelihood Overview

Agriculture, forestry, and fishing key facts
- 277,100 sq. Km of agricultural lands
- 33% employed within the Agriculture sector
- Agriculture, forestry, and fishing, value added represented 21% of GDP

Financial inclusion*

Adoption level
- Overall Financial Inclusion: 69.4% - (2020: Finscop)
- Have accounts¹: 79.2%, 75% rural
- Own a credit card¹: 6.4%, 5.5% rural
- Insurance: 6.3% uptake

Usage
- 12.5% received domestic remittance²
- 11.1% used a debit or credit card
- 58.4% used Mobile Money Services (2020: Finscop)

Source: add source here please
Note: 1) % age 15+, 2) Received domestic remittances: through a money transfer service (% of recipients, age 15+)
# Zambia programs to support financial resilience of agricultural livelihoods

## Objectives/ Pain points

**FISP**: Aims to improve Food Security & Household incomes through:
- Increased production & productivity
- Develop Private sector participation in the Agric. Supply Chain
- Promote efficiency in distributing inputs

**FISP**: 2002/2003 Season – Covered 120,000 farmers | 2012/2013 – 900,000 | 2022/2023 – 1,024,434 farmers.

**Pain Points from FISP:**
- Poor Monitoring & Evaluation
- Poor targeting farmers | No exit strategy
- Late delivery of inputs & low yields
- Governance issues – fraud, leakages & input diversions
- Limited Private Sector involvement

## Solutions

- **Redesign of the FISP** to improve targeting & inclusion of other Agric. Products, i.e. livestock, aquaculture, (3 Agro economic zones established to mitigate basis risks)
- **Multilayered** Approach to Resolve deficiencies
  - **Private Sector** driven solutions to mitigate – insurance introduced to mitigate climate change-induced losses – Index Insurance, Yield Insurance, livestock insurance, Hybrid index + Yield.
  - Extension services & support to address productivity
  - Transform & Stimulate growth – graduation from program – alternative financing

## Outcome & challenges

**What is working well?**
- Political Will to address deficiencies
- Evidence that FISP could increase household food security
- Improved value chain – access to market, FRA
- Multi-sectoral coordination

**What is not working well?**
- Cost of implementing the program - unsustainable
- Targeting errors
- Delayed distribution of inputs – inefficiencies
- Information gaps – Data & Awareness gaps
- Delayed payment for inputs & premium for insurance services

## What are your priorities over the next 3 to 5 years?

**Reform FISP to the Comprehensive Agriculture Support Transformation Programme** | Aim – Stimulate growth in the sector | graduation strategy & Alternative financing strategies, Increase private sector participation, promote diversification of Agric. products covered, target the right crop to right Agro economic zones, Consolidate policies aimed at DRF
Zambia team’s learning objective

**Need**
- To Deliver climate risk mitigation solutions that are impactful and promote sustainable Agric. Development in order to alleviate poverty at household level.

**Vision**
- To inform or shape institutional arrangements, legal and policy frameworks for sustainable development
- To contribute to the elimination of inefficiencies in existing programs

**Objective**
- Adopt key lessons from global experts on how best to structure policy on DRF in line with SDG 13.
Overview of Zimbabwe’s agriculture and livelihood

**Zimbabwe’s Agriculture Livelihood Overview**

- **Agriculture, forestry, and fishing key facts**
  - 162,000 sq. Km of agricultural lands
  - 67% employed within the Agriculture sector
  - $1.067 bn. value of agriculture exports in 2022
  - Agriculture, forestry, and fishing, value added represented 14% of GDP
  - 110 million litres of dairy production representing x% of GDP

- **Financial inclusion**
  - Adoption level:
    - Have accounts: 83%, 79% rural
    - Own a credit card: 49.5%, 38% rural
    - Saving account
    - Insurance: 22% of population covered
  - Usage:
    - 49.5% used a debit or credit card
    - 15% used savings accounts

Source: add source here please
Note: 1) % age 15+, 2) Received domestic remittances: through a money transfer service (% of recipients, age 15+)
## Zimbabwe programs to support financial resilience of agricultural livelihoods

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<tr>
<td>Food insecurity and vulnerability of smallholder farmers</td>
<td>Presidential input support</td>
<td>What is working well?</td>
</tr>
<tr>
<td>Recurrent Droughts</td>
<td>Pfumvudza Programme (Climate proof agriculture)</td>
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<td>Sovereign drought insurance</td>
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<td>Area Yield Index Insurance</td>
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<td>Conferring prescribed asset status on Agro bills</td>
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<td>Dam construction-climate proofing</td>
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What is working well?
- Improved agriculture output for households
- Insurance Payouts in drought years providing
- Notable participation of the private sector in funding agriculture

What is not working well?
- Low uptake of index insurance by smallholder farmers
- Agriculture insurance represents about 4% of Gross Written Premiums

- Implementation of the DRF Strategy, Adoption of agriculture index insurance policy, scaling up of agriculture index insurance, improving food security of households
Zimbabwe team’s learning objective

Need
The agriculture sector is increasingly becoming vulnerable to climatic risks, and extreme weather events. The greatest impact is borne by smallholder farmers who entirely depend on rain-fed agriculture and have limited capacity to cope.

Vision
To promote agriculture index insurance as one of the ways to de-risk the agriculture sector and reduce the vulnerability of farmers and other value chain actors.

Objective
To gain insights and learn other countries’ experiences in de-risking the agriculture sector through insurance.
Thank You