



Impact Capital
for Development

FEASIBILITY STUDY ON CLIMATE RISK INSURANCE

MALAWI



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Author: Weather Risk Management Services (WRMS) and Risk Shield Consultants with substantial input and contributions from the UN Capital Development Fund team and partners.

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List of Abbreviations

AEZ	Agro Ecological Zone
ARC	African Risk Capacity
AWS	Automatic Weather Station
AYII	Area Yield Index Insurance
CDF	Cooperative Development Foundation of Canada
CHIRPS	Climate Hazards Group InfraRed Precipitation with Station data
CIC	Cooperative Insurance Company
CRI	Climate Risk Insurance
DoDMA	Department of Disaster Management Affairs
GDP	Gross Domestic Product
IMF	International Monetary Fund
MSME	Micro Small and Medium Enterprise
MVAC	Malawi Vulnerability Assessment Committee
TAMSAT	Tropical Application of Meteorology Using Satellite and ground-based observation
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Program
USAID	United States Agency for International Development
WFP	World Food Program
WII	Weather Index Insurance
WMO	World Meteorological Organization

1. Agriculture Sector

Overview

Agriculture accounts for 30% of Malawi's GDP and generates over 80% of national export earnings¹²³⁴. The agriculture sector employs 80% of the country's workforce and contributes to food and nutrition security. Agriculture relies mainly on rain-fed crop production whereas production and consumption of animal products are very low. As a result, the country continuously faces food shortages at national and household levels.

Major Crops

The main agricultural products grown by smallholder farmers in Malawi include maize, tobacco, cassava, groundnuts, pulses, sorghum, millet, sweet potatoes, and cotton. The primary agricultural exports from these products are tobacco, tea, sugar, cotton, and pulses. Maize, which accounts for over 70% of production, is the most widely cultivated crop in Malawi and serves as a staple food for the majority of the population. In 2022, Malawi produced 3.7 tons of maize.



Tobacco



Maize



Millet



Sorghum



Rice



Cotton



Groundnut



Sweet
Potato



Cassava

Livestock

Cattle are the most important livestock species in Malawi and are primarily raised for meat and milk production. According to Malawi's national Agricultural Production Estimates (APES) for 2021-2022⁵, **Malawi had approximately 2 million head of cattle in 2022**, and the majority of these were owned by smallholder farmers.

Goats are an important livestock species in Malawi, particularly in the drier regions of the country where they are well-suited to the climate and available grazing land. **Malawi had approximately 12 million head of goats in 2022**, with most of them owned by smallholder farmers.

Pigs are becoming increasingly important in Malawi as a source of income and nutrition, particularly in peri-urban areas where the demand for pork is growing. **Malawi had approximately 3 million head of pigs in 2022**, with most of them owned by smallholder farmers.

1 <https://www.jica.go.jp/malawi/english/activities/c8h0vm00004bpzlh-att/agriculture.pdf>

2 <https://www.trade.gov/country-commercial-guides/malawi-agricultural-sector#:~:text=Leading%20Sub%2Dsectors%20in%20the,irrigation%2C%20and%20agro%2Dprocessing.>

3 <https://www.nature.com/articles/srep36241>

4 https://climateknowledgeportal.worldbank.org/sites/default/files/2019-06/CSA%20_Profile_Malawi.pdf

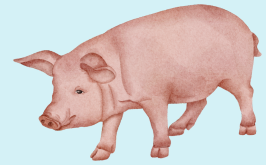
5 <https://agriculture.gov.mw/index.php/component/content/article/79-blog/153-the-agriculture-production-estimate-survey?Itemid=437>



Cattle



Goats



Pigs

Seasons

There are two distinct seasons: a **wet, warm season from October to April**, and a **dry, cool season from May to September**. The main crops grown during the rainy season include maize, rice, groundnuts, beans, cassava, sweet potatoes, and vegetables. During the dry season, farmers grow crops such as tobacco, cotton, and vegetables using irrigation.

Area-Ecological Zones

Malawi is classified into three agro-ecological zones (AEZs) based on soil factors, altitude, the amount, duration, and variability of rainfall, and temperature regimes:

- **The Lower Shire valley,**
- **The lakeshore plains and Upper Shire valley**
- **The mid-altitude plateau**

Smallholders

Smallholder farmers disproportionately produce crops for domestic consumption. They produce approximately 80% of all food consumed in Malawi. By contrast, smallholder farmers produce just 20% of agricultural exports.

Women

Women play an important role in agriculture. **They constitute 70% of full-time farmers, carry out 70% of the agricultural work, and produce more than 80% of subsistence crops**. Women (i.e. women managed farms) are disadvantaged in terms of access to irrigation technologies, and finances.

2. Key Risks

Malawi is susceptible to adverse climate disaster risks which are exacerbated by climate change. These disasters include dry spells, seasonal droughts, excessive rainfall, river floods and flash floods (World Bank, 2021). It is reported that between the years 1979 and 2008, over 21.7 million people were affected adversely by these disasters while 2,596 lost their lives. Since Malawi is an agriculture-based economy, these disasters have also profoundly affected the country's food security and gross domestic product (GDP).

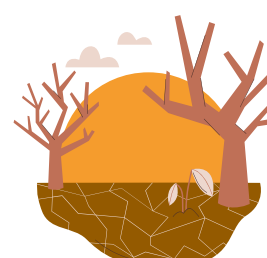
Major Climate Risks

Droughts and floods are two major climate risks that significantly affect Malawi's population. Statistics on natural disasters for the past forty years (1980-2020) indicate that the country has experienced twenty flood events and eight drought events. In fact, on average, there is a 55.71% likelihood for flood occurrences while there is a 11.43% chance for droughts (World Bank, 2021). Each of these events affected substantial portions of the population, with 3.8 million people impacted by floods and 3.5 million by droughts. Malawi's southern region also experienced heavy rainfall and flooding from Tropical Cyclone Freddy from the 12th to the 15th of March 2023, further affecting 2.2 million people.

Most Prone Regions

Regions most prone to these major risks are summarized below:

1. **Southern Region** : This region is prone to droughts, especially in the districts of Chikwawa, Nsanje, and Phalombe. Prolonged dry spells can lead to crop failure and loss of livestock, resulting in food shortages and economic hardship for farmers. In 2015 and 2016, the southern region experienced a severe drought that left over 6 million people in need of food aid.
2. **Northern Region** : This region is prone to flooding, particularly in the districts of Karonga, Rumphi, and Chitipa. Heavy rains and floods can wash away crops, damage infrastructure, and displace communities. In January 2015, the northern region experienced heavy flooding that affected over 230,000 people and caused significant crop losses.
3. **Central Region** : This region is affected by both droughts and floods, particularly in the districts of Ntcheu, Lilongwe, and Salima. In 2019, the region experienced a severe drought that led to crop failure and food shortages. In March 2019, Cyclone Idai also caused significant flooding in parts of the central region, damaging crops and infrastructure.



3. Insurance Market

Malawi has been one of the most privileged countries in Africa to test and try the first ever parametric insurance product which was sponsored by the World Food Programme between 2005 and 2010. A number of programmes have emanated from these pilots at all levels micro, meso and macro bringing significant lessons and experience.

Regulatory Environment

Malawi's insurance regulatory environment is flexible when it comes to the introduction of insurance innovations. The Reserve Bank of Malawi serves as the regulator of the country's insurance industry, with two specific departments responsible for insurance market regulation: the Financial Sector Regulation (FSR), responsible for regulation, and the Pension and Insurance Supervision Unit (PISU), responsible for supervision. The FSR certifies new market entrants and new products, while the PISU offers prudential supervision. Both departments have financial regulation and supervision frameworks that guide their respective roles.

They have worked with the market before in implementing weather index insurance when it was first introduced in 2005. However, at the time of this study (August 2023), the regulator did not have a specific policy framework in place for parametric insurance. Nonetheless, they have been flexible enough to accommodate the distribution of parametric products, such as weather index insurance and area yield index insurance products. These parametric insurance products are regulated using the existing general (non-life) insurance framework and are reported as miscellaneous under the current structure. This phenomenon is not uncommon, as the National Association of Insurance Commissioners reports that few jurisdictions have a regulatory framework specific to parametric insurance (NAIC, 2023).⁶

Insurance Companies

Malawi has **8 general insurance companies, 6 life insurance companies and 1 resident reinsurance company**. All 8 general insurance companies participate in the World Food Program climate risk insurance program led by NICO General Insurance Company. The consortium underwrites the WFP's R4 insurance product. There is a clear indication that the market has a good experience with parametric insurance. This experience is drawn from the industry's earlier participation in weather index insurance and yield index insurance programs, coupled with a conducive market environment. This suggests that the supply side is ready and can support the development of new parametric insurance products aimed at mitigating the impact of climate disaster risk.

CIC General Insurance Limited is a fully licensed general insurance company registered in Malawi in 2012, with its head office in Kenya. The company has experience in providing agriculture insurance, offering livestock and crop insurance under this category. CIC provides three main agriculture insurance products, including indemnity for commercial farmers and area yield and weather index insurance for small-scale farmers. While they also have a livestock indemnity insurance product, it is not currently offered to any farmers. In the last season, **CIC received a premium volume of 215 million Malawi Kwacha from agriculture insurance with a total sum insured of 9.2 billion**. Agriculture constitutes less than 10% of their total portfolio.

CIC retains about 10% of the agriculture risk, with a 16.5% VAT applying to all insurance premiums. It is a regulatory

⁶ National Association of Insurance Commissioners Report (2023)

requirement to exhaust local reinsurance capacity before taking the risk outside the country. Emeritus is the only reinsurance company domiciled in Malawi. CIC sees a minimum premium volume of 10 million Kwacha, making business sense for them.

CIC provides agriculture insurance to five major clients under the Greenbelt Initiative of Malawi, offering area yield index insurance. Additionally, CIC offers a yield index insurance product developed by Risk Shield to small-scale farmers collaborating with One Acre Fund, a significant agriculture production input financier in Malawi. The company is also part of a consortium of eight insurance companies led by NICO General, insuring small-scale farmers under the WFP yield index insurance product developed by Pula. However, there is uncertainty about the continuation of the WFP Pula yield index insurance product due to a high claims ratio and the withdrawal of Africa Re as the lead reinsurer.

Some of the main crops insured include maize, groundnuts, soybeans, rice, and wheat.

NICO General Insurance Company is a general insurance company that provides short-term insurance products. NICO's product range includes standard personal and commercial insurance covers in motor vehicles, building & road construction, liability, engineering, professional indemnity, marine hull & cargo, fire, loss of profits, agriculture, burglary, house-owners & householders, and personal accident. Nico has experience in offering agriculture insurance products. Their agriculture products include livestock, crop indemnity, weather index, and area yield index insurance.

The livestock insurance covers the mortality of or damage to livestock resulting from death or emergency slaughter on medical grounds due to insured perils. Although the product is available, currently, no farmers have taken it up because of challenges with animal identification.

Mtetezi insurance is usually suitable for tobacco farmers. Mtetezi Insurance covers accidental loss or damage to growing tobacco due to hail, storm, flood, fire and theft. It also covers loss/damage to farm buildings. This product has previously been offered to farmers growing tobacco with JTI and Alliance One. This product is priced at 3.5%. For this product, they rely on local loss assessors for claims adjustment. The VAT applicable to insurance premiums is 16.5% and a non-resident reinsurance tax of 15% if the risk is reinsured outside of Malawi.

Crop insurance is a product designed to protect farmers against, either the loss of their crops due to natural disasters such as hail and floods, or the loss of revenue due to a decline in the prices of agricultural commodities.

Weather index insurance was previously offered to farmers working with WFP and covered drought only. It was piloted with farmers purchasing Monsanto maize seed and it covered germination failure.

NICO acts as the lead insurer in the consortium of 8 general insurance companies on the WFP insurance programme.

The premium rates for the WFP area yield index insurance were for some locations as high as 13%. The premium is fully paid by WFP. The total premium for last season was 400 million Kwacha and the insurers retained 18% of the risk. The area yield index insurance product has been loss-making such that some insurance companies are contemplating pulling out of the consortium. There are also proposals from the members of the consortium to move away from area yield to weather index insurance. The former lead reinsurer, Africa Re has already withdrawn from offering reinsurance support citing a bad experience with the area yield index product.

Despite current challenges, Nico is willing to upscale the offering of climate risk insurance products to farmers and is open to collaborating with other stakeholders in reaching small-scale farmers.

Emeritus Re Malawi is fully owned by Zimre Holdings Limited. Emeritus Re is the only reinsurance company resident in Malawi. The Emeritus Reinsurance brand also operates in Zimbabwe, Zambia, Malawi,

Mozambique and Botswana. The Malawi office was opened in 1996. Emeritus provides both facultative and treaty reinsurance. Under agriculture insurance, they reinsure both livestock and crop insurance.

Emeritus has experience in reinsuring climate risk insurance products in the Malawi market. Emeritus reinsured the WFP, R4 insurance product. Initially, the product was a weather index product, covering only the drought risk developed University of Columbia's IRI and was later changed to an area yield index by Pula.

Emeritus had a good experience with the WFP weather index insurance product. However, they are currently looking at ways of reviewing the current yield index insurance product which they feel has become a loss-making product. There have been proposals to revert to the weather index insurance product.

Emeritus also reinsures other agricultural products, including crop indemnity and livestock, while working with CIC insurance company, Nico insurance company, and UGI outside of the consortium. Major crops that have been insured in the past include; maize, cotton, beans, sugar plantations and tobacco. Distribution channels used in the past include banks and development agents.

Emeritus envisions the government and development agents playing certain roles, such as supporting insurance awareness among small-scale farmers, offering smart premium subsidy and prefinancing the premium. Development agents should support the insurance sector by bringing in insurance technical service providers who will support product development and capacity building of the insurers and reinsurers.

Government



At macro level the government of Malawi has demonstrated much willingness to participate and support index-based programmes in the process clearing the policy environment for smooth implementation of such programmes. The role of government has been beyond policy formulation and regulation but that of an implementor or policy holder. From implementation of the Malawi Maize Index to Africa Risk Capacity, the government interest and support has been unwavering. It is evident the government of Malawi has interest to protect its vulnerable populations through index insurance.

4. Data Availability



The Department of Climate Change and Meteorological Services

The Department of Climate Change and Meteorological Services (DCCMS) provides weather data such as rainfall. The DCCMS rainfall data was used as a product development basis for Malawi's first weather index insurance products. DCCMS maintains a network of weather stations across the country. The current network of meteorological stations comprises 22 full meteorological stations and 21 subsidiary agrometeorological stations strategically located in the eight agriculture development districts. The department also runs well above 700 rainfall stations in coordination with

other government departments and private organizations, of which the oldest station opened in 1891 at Zomba.

DCCMS has experience in providing data for insurance, having worked on a weather index insurance project with the World Food Program. In 2015, DCCMS supplied rainfall data to WFP. The insurance products were based on satellite data, but WFP utilized weather station data to offer ex gratia payments to farmers who had incurred losses when the satellite-based product did not trigger a payout. DCCMS falls under the Ministry of Natural Resources and Climate Change, mandated to provide weather data. They monitor, analyze, and predict weather and climate, producing forecasts for early warning purposes. This information is crucial for advising on natural disaster early warnings and providing weather and climate data for various socio-economic sectors, including aviation, agriculture, water, marine, construction industry, insurance, tourism, health, sports, and recreation. DCCMS performs research and development to enhance the quality of weather and climate data for the public, maintaining a network of both automatic and manual Met stations serving development projects in agriculture, forestry, water resources, fisheries, wildlife, and education.

DCCMS delivers daily, 5-day, weekly, ten-day, monthly, and seasonal weather forecasts, along with daily and 3-day weather bulletins. Seasonal forecasts are typically released in August or September. Monitored weather parameters include wind speed, minimum and maximum temperature, humidity, evapotranspiration, cloud cover, thunderstorms, visibility, precipitation, and dew point. The dataset is available upon request through a written letter to the Director, subject to a fee whose structure is disclosed upon request.

However, the density of weather stations in Malawi is insufficient, as one station can only cover a radius of 20 km. In some cases, weather stations are distant from farming communities, primarily built for aviation purposes

Satellite Data

The primary objective was to determine the suitability of the available data sets for developing weather index insurance products to insure against losses from the key weather risks viz. drought and excess rainfall. Five satellite-based rainfall datasets (TAMSAT, CHIRPS, GPM, ECMWF and CMORPH) and rainfall ground station data from WMO were assessed for their suitability.

The TAMSAT data source not reliable for Malawi. For the case of both flood and drought, the TAMSAT data source is poor at capturing the events. For the flood events, WMO, GPM & CHIRPS are most likely to capture the events.

The year 2005 was mentioned as the worst drought year, and it is clearly captured in all the data sources. For the case of Drought, CMORPH and GPM capturing the events very well. Although we need some more precise information about the past Drought events, so that this analysis can be validated.

The following sample indexes were designed and analyzed for rainfall:

- For the sum monthly rainfall scale, the correlation values for CHIRPS, ERA5 Ocean, CMORPH and TAMSAT are generally consistent with WMO during the main months of the rainy season, although GPM and Ground station (WMO) indicate the best correlation values with WMO (Ground station) overall. For CMORPH and TAMSAT, the correlation values are considerably lower.
- For the sum maximum five consecutive days scale, the correlation values for CHIRPS, GPM are generally consistent with WMO during the main months of the rainy season, although CHIRPS indicate the best correlation value with WMO (ground station) overall. For CMORPH, ERA 5 Ocean and TAMSAT, the correlation values are considerably lower.
- For the temperature scale, correlation values for ERA5 and Ground Station are indicating positive and strong relationship. Temperature in November is generally highest among all the year, and as per the sources no

Heatwave event is reported for the country Malawi.

- Based on the JTWC, USA Agency Cyclone data, no category 1 or above event has been affected Malawi in the past 43 years.

In summary, the data sources CHIRPS, GPM, and WMO can be considered for Malawi for development, evaluation and settlement of Parametric Insurance contract.

Ministry of Agriculture and Food Security (MoAFS)

MoAFS collects and manages various agriculture-related data, such as crop production, livestock, and fisheries. The ministry conducts regular surveys and assessments to generate data on agricultural production and productivity.

MoAFS employs agriculture extension staff they provide extension services to the farmers. These field staff also perform crop cut experiments and produce crop yield data. The ministry maintains a database for historic crop yield, crop water requirements for different crops as well as cropping calendars for different crops. These data sets can be accessed once an official request is made to the ministry.

5. Demand Side Assessment

Channels



Insurance distribution and intermediation are conducted at four levels. The first level comprises insurance brokers and agents, currently controlling about 80% of the market. However, they are more inclined towards traditional insurance with limited capacity to facilitate the development of new products.

The second level involves financial institutions (banks and micro-finance institutions). At this level, there is some level of innovation as insurance products are bundled with financial services, aimed at safeguarding the financial institution's assets and liabilities. This bundling also adds attractiveness to their banking products and services, contributing to an increase in non-interest revenue.

The third level consists of direct aggregators, such as farmers' associations. Lastly, non-governmental and multilateral organizations aggregate beneficiaries to make inclusive insurance a viable business for insurance players

Brokers: Malawi's insurance market has 24 insurance brokers and numerous agents who are the main distributors of insurance. Legally, brokers represent the interest of customers and provide advisory services to customers at a commission from policy sales.

Generally, intermediaries are expected to conduct consumer research to identify gaps in the market and design appropriate products that address various risks. However, this is lacking in the Malawi market, as most products offered are off-the-shelf from insurers. This leaves out a number of insurable risks, giving potential customers limited options for their day-to-day risk management.

Out of the twenty-four brokers, only Microinsurance Services Limited is actively selling parametric insurance (weather index insurance and yield index insurance), while the rest are focused on traditional insurance. Marsh Limited also sells crop insurance, particularly traditional covers. This is the case due to the technicalities involved in the design and administration of parametric insurance products. None of the general insurance tied agents are involved in parametric insurance sales.

Commercial Banks & MFIs: The Malawi market has eight commercial banks, namely National Bank of Malawi, Standard Bank Malawi, FDH Bank, First Capital Bank, NBS Bank, CDH Bank, EcoBank, and Centenary Bank. Four of the eight banks are licensed to distribute insurance and have a principal officer in charge of the insurance business line.

Commercial banks often bundle most of their insurance offerings with banking products and services, making the insurance products attractive. However, it is imperative to note that customers are often more interested in the primary services or products offered by banks, with insurance serving as a value addition.

The banks that participated in the feasibility study indicated credit life as the main product with the largest uptake. In some cases, banks offer other insurance products like motor vehicle insurance and standalone funeral insurance. However, customer traffic for these products is relatively low compared to those bundled with loans.

Commercial banks in the Malawi market offering insurance have not been active in new product development. Therefore, most of the products available on their shelves are similar to those offered by traditional insurance companies. In most cases, products are bundled with loans to make them attractive, and rarely are they sold as standalone.

Some banks and MFIs funding agriculture in Malawi are:

- **Opportunity International Bank of Malawi**
- **Malawi Rural Finance Company**
- **First Capital Bank**

Commercial Banks & MFIs: Fin-Techs are part of the financial ecosystem and do play a crucial role in facilitating premium collection and claims settlement through use of mobile money. Climate disaster risk does affect operations of mobile money facilitation due destruction of mobile network infrastructure, destruction of distribution network (mobile money kiosks) and loss off actual handsets by customers. Although during climate disasters well-wishers support affected families with mobile money emergency transfers, overall, there is a reduction in the total number of transaction per day as most business activities are halted due to the loss in business infrastructure and displacement of human settlements.

The Malawi market has two active mobile money operators (MMOs) namely Airtel Money and TNM Mpamba. The two companies are owned by the giant mobile network operators (MNOs) Airtel plc and TNM plc respectively.

Malawi has a mobile phone penetration rate of 45% which is comparatively low when viewed against the global penetration rate of 67%. Additionally, in comparison to neighboring countries during the same recorded time, Malawi exhibits relatively lower penetration. For instance, Mozambique has a mobile phone penetration of 50.4%, Tanzania 82.7%, Zambia 89.7%, and Zimbabwe 98.5% (Kemp, 2021).

Apart from providing mobile wallets to insurance companies for the collection of premiums, Airtel Money has recently launched an inclusive insurance product with Inclusivity Solutions (a Kenyan-based Insurtech) and Britam Insurance Company, offering hospital cash and permanent disability covers. In addition to this inclusive insurance product, Airtel also provides other agriculture-related services and early warning messages through interactive voice response (IVR).

Fintechs offer a compelling value proposition for reaching out to the excluded market with inclusive financial services, including insurance. Through mobile money, rural communities can transact with insurance companies without the need for a brick-and-mortar delivery model. Conversely, settling claims is also convenient for the excluded market through mobile money

Insurtechs: Not many Insurtech companies are available in the Malawi market, particularly focusing on delivering climate risk insurance. However, three players were noted with some level of innovation around agricultural insurance: Pula, Risk Shield, and Microinsurance Services.

While Microinsurance Services and Risk Shield have penetrated the market through financial institutions and farmer associations, Pula has adopted a wholesale approach to deliver its agricultural insurance offering. This is evident in its partnership with the World Food Programme, where thousands of smallholder farmers have been insured under the R4 Resilience Programme. The insurance program, implemented in eight districts since 2015 with 500 households, has grown to cover over 118,000 beneficiaries as of the 2022/23 growing season, of which 52% are women.

Farmers Associations: The National Association of Smallholder Farmers in Malawi (NASFAM) is a farmers' organization with over 100,000 smallholder farmers across the country. NASFAM has been actively involved in farmer aggregation and the distribution of a weather index insurance program initiated by the World Bank between 2005 and 2010. The association employed various distribution models that proved effective for grassroots farmers, including those with landholding sizes as low as 0.5 hectares.

These models, which involved bundling insurance with seed loans and having farmers repay the loans with grains, purchasing insurance with cash, and bundling with bank loans, have all demonstrated that utilizing a combination of distribution models, especially for low-income communities like smallholder farmers, is a successful approach that has yielded positive results.

Meso Level Experience

At the meso level, there has been a combination of successes and limitations. Smallholder farmers and farming communities have had the opportunity to access index insurance from financial institutions aimed at protecting their agricultural lending exposure. Financial institutions, such as banks and micro-finance institutions, play a crucial role in the distribution of insurance, although their level of demand for parametric insurance could not be quantified.

Appetite

There is an insurmountable appetite and willingness to accept climate disaster risk transfer products within communities. This is attributed to the increased frequency of disasters in the country due to climate change, which have had a devastating impact on the agriculture sector, leading to multi-million dollar losses for the country.

Summary

Distribution channels are integral to the success of a climate risk insurance project. The best distribution channels are those trusted by farmers and capable of enrolling them. The feedback we received from interviews with potential aggregators suggests that, for the success of the insurance project and as part of the initial implementation, there is a need to conduct an awareness campaign. This campaign aims to make farmers and intermediaries aware of agricultural risks and the risk transfer mechanisms that could be used to mitigate them. Any future parametric insurance programs can piggyback on successful distribution models that have been tried before and build from those models for upscaling programs

6. Pilot Recommendations

A pilot can be targeted for the **next dry and wet seasons** i.e. from **May to October 2024** and from **November 2024 to March 2025**. . The following interventions can be explored:



Enhance Awareness



Improve Product Design to Minimise Basis Risk



Deploy Additional Automated Weather Stations



Enable Coverage for Food Crops

The following partners can be considered for the pilot:

Organisation	Nature of Business	Role	Rationale
NICO General Insurance Company	Insurance	Risk Taking/ Underwriting	NICO General has experience in index insurance. They are also the biggest insurance player on the market with about 40 % market share
Insurance Association of Malawi	Insurance	Risk pooling among its members	Access to other insurance players who may want to be part of the pool.
NBS Bank	Banking	Product Distribution	Active in Rural Financial Services.
First Capital Bank	Banking	Product Distribution	Active in Rural Financial Services.
Standard Bank Malawi	Banking	Product Distribution	Active in Rural Financial Services.
NASFAM (National Smallholders Farmers Association of Malawi)	Farmer Association/ Agribusiness	Farmer Aggregation	NASFAM has over 84,000 farmers 42% of them are women and a total of 52 farmers associations in 22 districts out of 28. NASFAM has also an agribusiness arm that provide or link its members to markets.
Opportunity International	Financial Service	Farmer Aggregation and Training	Opportunity International designs, delivers, and scales innovative financial solutions that help families living in extreme poverty build sustainable livelihoods. They also have over 4000 farmers in 213 groups across the country that are linked to financial institutions for agriculture credit. A majority (60%) of these farmers are women.

If we were to target the introduction during the next dry season, between April and May 2024, it is crucial that work on the CRI pilot commence from December 2023. This timeline allows for ample time for regulatory approval and the necessary awareness raising and marketing activities before the season begins



About UNCDF:

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