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Innovations for Insuring the Poor

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New USG Initiative to Address Food Security: A Comprehensive Approach to Hunger and Poverty

www.state.gov/s/globalfoodsecurity/



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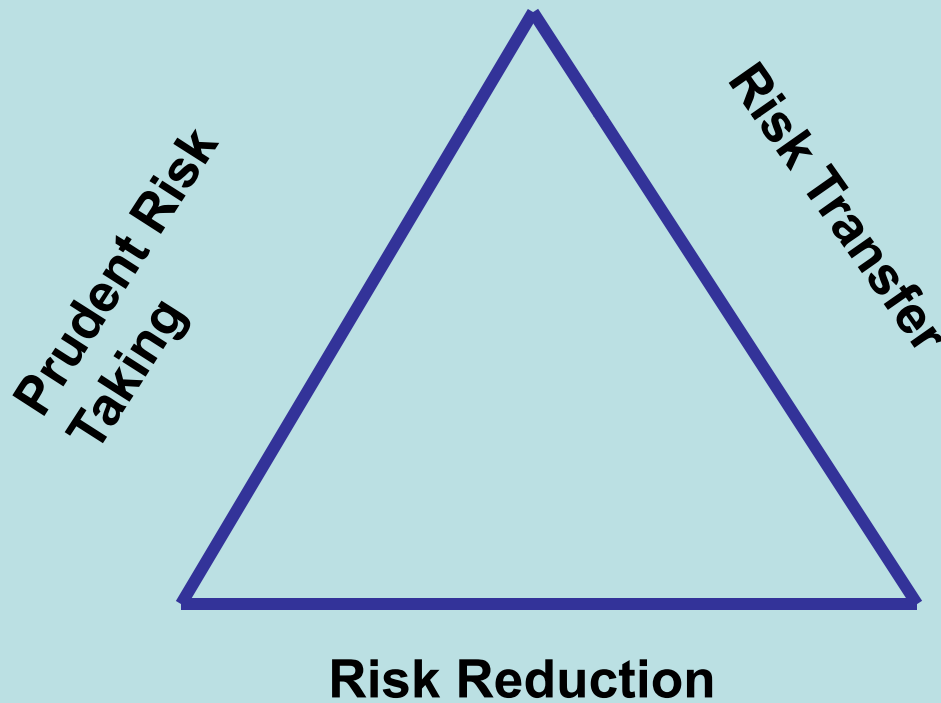
A comprehensive approach to Hunger and Poverty

- **Advancing Ag-led Growth** — Improved productivity; expanding markets and trade; protecting natural resource base.
- **Reducing Undernutrition** — Availability, access, utilization and *stability*
- **Effective Humanitarian Assistance** – Local capacity building, Global coordination and forecasting; targeting; effective tools including local and regional procurement



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Risk Management Framework



Adapted from M. Victor—HARITA/OXFAM



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Still a lot to learn and a lot to do. . .

- Range of Application
- Uptake
- Capacity Building
- Policy Issues



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Potential Applications

- (Ag Productivity) Basic food crops vs. high value crops?
- Necessary to have a strong value chain, or does strong VC make it less necessary?
- Develop products for current production patterns, or where the market is going?
- How does insurance interface with infrastructure investments (i.e., small-scale irrigation)
- (Social protection) Do we need to keep these products separate from market-based products?
- If subsidies, then what does a smart subsidy look like?



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Uptake

- Design— make it useful to clients; pick the right signal; balance frequency of payout with price;
- Reduce basis risk—design, data infrastructure
- Pricing—creative design; but how to deal with loading from re-insurance that prices products out of market? What are role of subsidies and how to mak smart?;
- Outreach and education—What are effective methods of outreach? Relative to both cost and impact?



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Capacity Building

- Local Institutions—insurance companies, distribution channel partners
- Potential implementing partners—must understand best practices;
- Policy makers.

Policy Issues

- Government intervention can limit options/market development;
- Regulation that govern product design and shapes institutional arrangements.