



Investing in rural people

# INSURED

Insurance for rural resilience and economic development

## Making agricultural and climate risk insurance gender inclusive: How to improve access to insurance for rural women

Rural women in developing countries play a huge and diverse role in agriculture. Some are smallholders, others are wage labourers or unpaid workers on family farms. Some women are members of producers' groups with independent incomes, or are in charge of market gardening for consumption and sale. Often with multiple roles, they are all part of the female farming community and pillars of rural household development.

Overall, women make up about half the agricultural labour force in developing countries, and a smaller percentage own a farm. Together with their heavy burden of care work, they therefore shoulder significant responsibilities for both food production and income generation.

Farmers in developing countries live and work in high-risk environments, but not everyone is equally vulnerable. Women and men respond to risks differently, and women are harder hit by shocks.<sup>1</sup> Women are more likely to die in natural disasters or suffer more from resulting food shortages, and their lower levels of economic participation undermine their resilience.

Women's vulnerability is rooted in interlocking inequalities. These include restricted access to resources, lower levels of land and livestock ownership, and of education. Because they mainly work in the informal sector, women have

low levels of formal social protection. In addition, the impact of shocks on the whole household may affect them disproportionately. Crucially, they lack access to agricultural risk management techniques and to formal financial systems, including risk transfer options such as agricultural and climate risk insurance.<sup>2</sup>

Rural women's work is concentrated in agriculture, which is the sector hardest hit by climate change. As part of a holistic approach to managing agricultural risk, insurance schemes can reduce producers' vulnerability, strengthen their livelihoods and build their resilience. However, they are often designed and delivered without considering women's needs, excluding female producers and restricting the growth of the insurance market.

The importance of factoring in women's needs and constraints during the development of insurance schemes has been recognized at the highest international level with the Sustainable Development Goals (Goal 5).<sup>3</sup> Moreover, an inclusive approach that takes account of all population groups – women, men, young people and others – can lead to the development of insurance products that are more valuable to clients, and help build sustainable insurance markets.

**MicroInsurance  
Centre at Milliman**



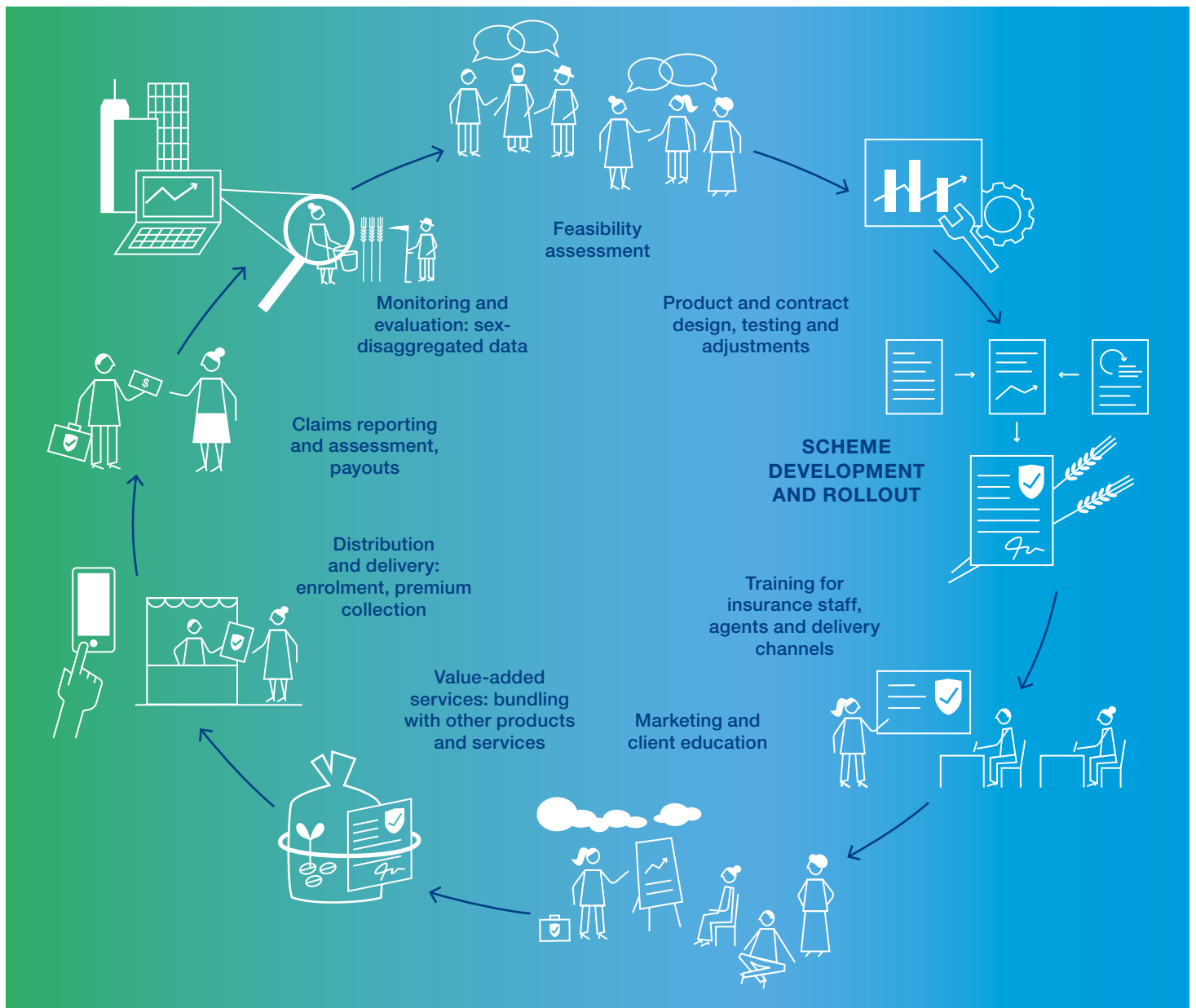
When it comes to broadly improving access to agricultural and climate risk insurance in order to strengthen resilience, women are a vital target group. They are traditionally in charge of risk management in the family and often also of household financial planning. They also tend to be more active in social networks, and have access to groups or associations that can be used to scale up the delivery of insurance products.

A gender-responsive, inclusive approach to agricultural insurance ensures that the needs of both women and men are taken into account, strengthening gender equality and benefiting the whole household. This approach makes it possible to reach the female farming community in all its diversity, strengthening women's contribution to the rural economy and protecting their specific vulnerabilities. In order to achieve this, it is necessary to identify entry points along the insurance value chain at which women's needs and preferences should be considered (see graphic).

The Insurance for Rural Resilience and Economic Development (INSURED) programme and the Managing Risk for Rural Development: Promoting Microinsurance Innovations (MRRD) project are ongoing technical assistance initiatives for the IFAD portfolio focused on inclusive insurance. INSURED is financed by the Swedish International Development Cooperation Agency (Sida) and managed by IFAD through the Platform for Agricultural Risk Management (PARM), and MRRD is financed by IFAD and implemented by the MicroInsurance Centre@Milliman. The two initiatives collaborated with George Washington University's (GWU) Capstone Program to conduct research and develop guidance in relation to the question: "How can the delivery of climate insurance schemes be more inclusive and bring more value to women?"<sup>14</sup>

## Improving insurance value and delivery for rural women

Entry points along the agricultural and climate risk insurance value chain for gender-responsive insurance delivery



## Gender-responsive insurance design and implementation

In order to improve the value and delivery of agricultural and climate risk insurance to the female farming community, designers and implementers need to reach out to women every step of the way, identifying entry points and distribution channels for a gender-responsive approach. The checklist below (see table) is intended to guide this process and expands on the following five key action areas and elements:

- (1) Identification of groups within the female farming community and gender-sensitive demand assessments
- (2) Gender-responsive insurance literacy materials and dissemination
- (3) Advocacy and capacity-building for gender-responsive insurance solutions with governments and providers
- (4) Distribution partnerships with private sector and civil society actors
- (5) Data infrastructure to capture sex-disaggregated data in the insurance workstream

### CHECKLIST FOR THE DESIGN AND IMPLEMENTATION OF AGRICULTURAL AND CLIMATE RISK INSURANCE WITH A FOCUS ON INCLUDING THE FEMALE FARMING COMMUNITY

#### (1) Identify the different groups within the female farming community (smallholders, members of producer associations, market gardeners, etc.), carrying out gender-sensitive demand assessments for insurance.

- **Define groups:** What are the typical roles of women and men in agriculture for subsistence and for income generation for the household? What are the different roles of women in a community? Which women are members of producer or village savings and credit groups?
- **Identify barriers:** Do women have equal opportunities to meet the requirements to enrol in an agricultural or climate risk insurance scheme? Who is responsible for household financial decision-making?
- **Understand the needs of different groups:** What are the main risk concerns and priorities of women? How do they manage these risks? Do women and men face different constraints, and how do these differences affect their household roles and productivity?
- **Ensure that research is carried out in a gender-sensitive way:** Should facilitators/researchers be women or men? When, where and how should groups be held to maximize both women's attendance and their contributions?

#### (2) Develop insurance literacy materials that are understood by women and men, and information dissemination approaches that reach out to both groups effectively.

- What are the insurance literacy constraints that are specific to women?
- Which communication channels or media do women have access to and prefer?
- Which training modalities encourage women's participation and attendance?
- Should trainers and agents be female or male?
- When and where should insurance education best be provided in order to take account of women's agricultural and household responsibilities, as well as cultural or religious norms and beliefs?
- Are different types of information and a separate communication strategy needed to ensure that women are reached?

#### (3) Advocate for gender-responsive agricultural and climate risk insurance with governments and providers by sensitizing and building the capacity of the private sector and ministries.

- Which public and private partners need to be sensitized to consider agricultural insurance solutions that work for women?
- Which solutions would benefit from government support in order to incentivize them (for example, support in the form of policies, regulations, subsidies, etc.)?
- What can be done to show market providers (insurers and distribution channels) why it is important that women are not excluded, and to demonstrate practical solutions?
- What can insurers and other sector actors supporting implementation do to be more gender inclusive within their own institutions and operating models?





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#### (4) Support the development of agricultural and climate risk insurance distribution models and delivery channels that work for the female farming community in partnership with private sector and civil society actors (insurers, international NGOs, savings groups, etc.).

- Which local partners would consider playing a role in delivering insurance to women?
- What different types of organizations (financial service providers, producer organizations, input suppliers, etc.) do women currently access services and products from?
- Are there organizations that they have difficulties accessing services from that might be improved with insurance?
- What support do potential partners need to overcome hurdles that are specifically related to better serving women?
- Are there any gender-specific features to consider in delivery modalities that could prevent or encourage women's access and use? For example, use of mobile phones, account opening, formal lending, etc.

#### (5) Capture sex-disaggregated data in the insurance workstream and separately monitor reach to the female farming community.

- Which metrics are already being captured at the insurer level and can be disaggregated by sex to paint a picture of access and experience (for example, claims ratio and renewal rates)?
- How can client feedback mechanisms be adapted to account for feedback from women as well as men?
- What additional assessment or monitoring can be carried out by development partners supporting schemes in the initial stages to analyse women's access and experience?
- How can project monitoring systems be adapted to capture meaningful data that reflects the gender-responsive approach?



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## IFAD'S WORK ON GENDER

The goal of IFAD's work on gender is to empower rural women and achieve greater equality and well-being in rural households and communities. IFAD has three key objectives:

- promote economic empowerment to enable rural women and men to have equal opportunities to participate in and benefit from economic activities
- enable women and men to have equal voice and influence in rural institutions and organizations
- achieve a more equitable balance in workloads and in the sharing of economic and social benefits between women and men.

*IFAD Gender Action Plan 2019-2025*

## Notes

- 1/ InsuResilience Global Partnership, 2018. *Applying a Gender Lens to Climate Risk Finance and Insurance*; World Bank, 2017. *Gender and Agricultural Risk*. [https://www.insuresilience.org/wp-content/uploads/2018/11/insuresilience\\_applygender\\_181128\\_web.pdf](https://www.insuresilience.org/wp-content/uploads/2018/11/insuresilience_applygender_181128_web.pdf)
- 2/ PARM, 2019. *Gender in Agricultural Risk Management*. <http://p4arm.org/document/gender-in-agricultural-risk-management/>
- 3/ BMZ, 2017. *Inclusive insurance and the Sustainable Development Goals*. <https://microinsurancenet.org/groups/inclusive-insurance-and-sustainable-development-goals>
- 4/ The research was conducted by GWU students Lucia Amiri-Talesh, Vanessa Dos Santos, Esther Ongay and Jennie Persson. The Advisory Committee of industry experts included members from the following organizations: GIZ, IFAD, ILO, InsuResilience, MIC@M, PARM, Women's World Banking and WFP.