

Disaster Risk Financing and Insurance Program

Supports Two World Bank FY11 Innovation Fund

Grant-Winning Proposals



Jan 24, 2011 – Two innovative disaster risk financing and insurance proposals, “Information technology to improve Crop Insurance and Risk Mitigation for Farmers in India” and “Pacific Disaster Risk Assessment GeoNode: Improving Disaster Risk Management through Information Technology in the Pacific Region” have won World Bank FY11 Innovation Fund grants.

The FY11 Innovation Fund Competition called for proposals relevant to the three following business priorities: New knowledge and lending products; co-creation with clients; and solutions that improve transparency or information flow.

The winning proposal on crop insurance in India was developed by the South Asia Region Finance and Private Sector Development Unit (SASFP) and the Global Capital Markets Non-Banking Unit (GCMNB), with support from the Global Facility for Disaster Risk Reduction and Recovery (GFDRR) Disaster Risk Financing and Insurance (DRFI) Program.

This proposal addressed both co-creation with clients and improving solution transparency or information flow. The proposal aims to improve the quality, transparency, and reliability of crop cutting experiments (CCEs) that measure crop yield shortfalls to determine insurance indemnity payouts for India’s crop insurance program (the largest in the world with more than 25 million farmers).

CCE data are essential for the sustainability of the crop insurance program and for attracting private insurers under the recently modified National Agricultural Insurance Scheme (mNAIS). The Innovation Fund grant will fund a pilot of the use of simple GPS and video enabled cell-phones to video-record CCEs and transmit data immediately through a SMS-based application to insurers and other users. This technology will: (i) provide the insurers with transparent and reliable CCE data; (ii) reduce possibilities for data manipulation; (iii) allow for faster claim settlement to the insured farmers thereby improving the efficiency of the crop insurance program.

By addressing the aforementioned, the technology will maximize the outcomes from the improved insurance program and pave the way for its scale up, potentially impacting tens of millions of farmers, the majority of whom are small and marginal farmers.

The winning proposal on information technology in the Pacific Region was led by the Pacific Islands Sustainable Development Unit (EASNS) and the GCMNB Unit, with support from the GFDRR DRFI Program and the GFDRR Labs Program. The proposal addressed the improvement of transparency or information flow. It is part of the Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI), a joint initiative of the World Bank, the Asian Development Bank, and the South Pacific Applied Geoscience Commission (SOPAC).

PCRAFI is producing the most comprehensive natural disaster risk analytics and data for the region to date. The Innovation grant aims to make open and available these state-of-the-art data to Pacific countries. Few of these countries currently collect critical hazard and risk data and even fewer have the means to readily share that data.

The grant proposes the deployment of a customized installation of a GeoNode platform (a web-based, open source platform that facilitates the creation, sharing, and collaborative use of geospatial data, see <http://geonode.org/about/>) to open the risk data and promote collaboration among the Pacific disaster risk management community.