

Global Risk Financing Facility: Technical Talks

Session Title:
Women in Risk Finance



Session Summary

Date: October 26, 2021 | Total Registrations: 190 | Number of countries represented: 51



Opening remarks: Josefine Greber (Senior Policy Officer in the Climate Policy Division, German Federal Ministry for Economic Cooperation and Development [BMZ]), in her opening remarks, discussed how climate change and disasters disproportionately affect women and girls, and the larger impact it creates due to women's role as providers and managers of their households. She also highlighted the work that BMZ is doing to help address this challenge.



Lightening Presentations: Presentations by five female practitioners from the World Bank Group underscored disaster risk financing instruments that have been supported by the Global Risk Financing Facility, and the ways in which gender is considered in their design and implementation.



Global Risk Financing Facility

Supporting Early Action to Climate Shocks, Disasters, and Crises



Technical Interview: Nadia Boughaba (Head of Product, Operations and Technology at AXA Emerging Customers), Tuga Alaskary (Advisor for InsuResilience Secretariat and Lead for the InsuResilience Centre of Excellence on Gender-smart Solutions), and Kara Siahaan (Head of the Anticipation Hub at the International Federation of the Red Cross and Red Crescent Societies [IFRC]) were interviewed by Sumati Rajput (Financial Sector Specialist, Crisis and Disaster Risk Finance, World Bank Group) on the business case for gender inclusion within their work, and what is needed to better support women in accessing disaster risk financing.



Audience Interaction: Sumati Rajput facilitated the session which featured a live poll and audience engagement questions. The event concluded with a facilitated Q&A session.

Lightning Presentations on World Bank Group Risk Finance Instruments:

Hang Thu Vu, Senior Financial Sector Specialist, discussed Risk Pools focusing on the Southeast Asia Disaster Risk Insurance Facility, also known as SEADRIF. SEADRIF's governance structure has a stipulation that the Board of Directors should have a minimum of 30% female representation, which helps support gender diversity and inclusion.

Naomi Cooney, Senior Financial Officer, discussed Catastrophe Bonds, also called Cat Bonds, which are risk transfer instruments that allow an entity exposed to catastrophe risk to transfer that risk to capital market bond investors. The most recent Cat Bond issuance, in Jamaica, was supported by the Global Risk Financing Facility. The debt management team from the Government of Jamaica was led by a woman, a somewhat rare but growing occurrence in the field of sovereign finance.

Clarita Kusharto, Financial Sector Specialist, discussed Disaster Risk Finance Funds and the use of pooled funding in Indonesia. The pooled fund strategy plan has a defined target of at least 20% women on the fund's management staff, designed to encourage and increase the participation of women.

Fatima Dicko, Financial Sector Specialist, discussed the use of Partial Portfolio Credit Guarantee schemes and their use in Burkina Faso to encourage lending to underserved sectors. To encourage lending to women entrepreneurs, the guarantee was structured with specific gender considerations. For example, loans to women entrepreneurs are covered at 70% of potential loss, compared to 50% for small and medium sized enterprises. The scheme also covered loans by non-bank financial institutions such as microfinance organizations, since they have more outreach to women, and it explicitly provides coverage for smaller, short-term working capital loans, as these represent the specific financing needs of women entrepreneurs.

Junko Onishi, Senior Social Protection Specialist, presented on Safety Nets such as cash transfer programs and how they can be targeted towards women, who are more likely than men to use the cash transfers to cover basic needs for themselves and their households. In poorer, female-headed households, statistical models can be weighted to prioritize them as beneficiaries. Additionally, cash transfer programs can specify that the recipient is a female, thereby ensuring that the cash is more likely used to support basic household needs.

Key Takeaways of Technical Interview

1. To address the needs of women, the gender-specific challenges they face must be identified and understood through direct consultation with them.

This necessitates going beyond simply painting a product pink and declaring it is for women. Rather, women's products must address their specific needs and find the right way to reach them. These needs can only be identified through engagement with the population that is being served.



For example, women-led businesses are usually smaller and more informal than those led by men. Women often have micro or nano-sized microbusinesses, so they are extremely vulnerable to financial shocks.



Women also face specific health risks that need to be considered. Not addressing these concerns may lead to adverse impacts on the entire household because women are the household managers and decision-makers in many countries.



There are compelling motivations for gender inclusivity beyond simply checking a box. Addressing women's needs is a business opportunity. From a financial perspective, it has been observed that women generally take fewer financial risks, are less fraudulent, and are more loyal customers than men. By creating products that specifically address women's needs, businesses can generate more customers.



Nadia Boughaba of AXA gave a specific example from Egypt, where an insurance product that AXA designed in partnership with WWB serves a microfinance institution with mostly female clients. The insurance product provides borrowers with cash support in case of death and hospitalizations with no exclusions. Conditions such as pre- and post-natal care and chronic diseases are also covered to make sure women are supported whatever the risk they face. The business case and operational model were designed to address women micro-borrowers. In doing so, they covered more than 170,000 women. Building on this first program, AXA collected input from these women customers and then created a new product to cover families. By listening to the specific needs of customers and understanding their concerns, new products were designed and tested, and a new coverage product is now being scaled up to further meet women's needs. The practice is currently being replicated in other countries.

2. Broad gender-based solutions may not resonate for every community in the same way, and disconnects may exist between global entities and local communities.



As Kara Siahaan from the IFRC noted, gender issues may be perceived differently between countries, cultures, and contexts. To create gender-inclusive risk finance products, community-level data is needed to specifically understand what women in those particular communities need and the challenges they face.



Tuga Alaskary of InsuResilience mentioned that grassroot-level entities on the ground may not always be able to communicate their insights on a global scale. This challenge underscores the need for capturing accurate data that conveys the specific needs of women in their specific contexts and communities.



While knowledge gaps exist, this is also an exciting opportunity to gather evidence and learning that can then be used to inform the design of future projects and policies, leading to larger scale impact.

3. Opportunities to integrate gender exist just about everywhere, and the work has only just begun.



The IFRC is capitalizing on opportunities to apply a gender lens to forecast-based financing. For example, the IFRC recently worked with the German Red Cross and the national IFRC societies in Namibia, Lesotho, and Mozambique to identify the gender-specific vulnerabilities of drought events to explore how anticipatory action can help protect women to anticipate the severe impact of drought. Kara said, “We want a forecast-based financing system to build on what we’ve already been financing based on triggers. But in order to make anticipatory action really meaningful, we need to build it into an end-to-end early action system that reaches the Last Mile.”



Opportunity is one of the four pillars of the InsuResilience Centre of Excellence for Gender-smart solutions, along with Knowledge, Guidance, and Community. Their goal is to gather evidence and share what works. Based on research that they have already commissioned, they have identified key knowledge gaps which underscore the need to break down underlying socioeconomic issues and norms, understand them, and design projects differently. Tuga mentioned that the opportunity to integrate gender can and should be addressed at all stages of the project including project design, implementation, and monitoring and evaluation, allowing for a feedback loop that can inform future projects. Simply collecting gender-disaggregated data at the end of a project misses the opportunity to address gender at the project design stage.



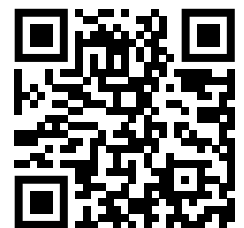
In the meantime, action can also be taken at the corporate and managerial levels to demonstrate commitment to women’s issues. For example, the Secretary General of the IFRC has made a commitment not to participate in any all-male panel discussions. Another example is InsuResilience’s scholarship program that sponsors women in leadership positions within the Global South, with the goal of strengthening leadership and diversity in insurance regulatory bodies.

Additional Resources

- To learn more about the InsuResilience Centre of Excellence on Gender-smart Solutions: [click here](#).
- To learn more about the Anticipation Hub: [click here](#).

More Information:

To share your thoughts on the Technical Talks, please click [here](#). To learn more about the Global Risk Financing Facility, please visit <https://www.globalriskfinancing.org/> or contact Technical Team Leads [Benedikt Signer](#) and [Sumati Rajput](#) or Trust Fund Team Leads [Zoe Elena Trohanis](#) and [Ronette Gwendolyn Jordan](#).



Global Risk Financing Facility

Supporting Early Action to Climate Shocks, Disasters, and Crises