Perception and Adoption Processes Regarding Index-Based Insurance for Managing Climate Risks in Agriculture in Benin

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1. RATIONALE

**PROBLEMATIC**
- Agricultural productions affected by various climate events
- Farmers vulnerable to climate change
- Existence of a diversity of coping and adaptation strategies
- Non-existence of risk transfer solution for farmers in rural Benin
- Emergence of recent innovation oriented toward index-based insurance

**OBJECTIVES**
- To list the farmers proposing an index-based insurance to farmers
- To understand the content of the index-based products
- To analyze the perceptions of farmers on these products
- To analyze the adaptation process in rural Benin
- To pattern the local model expected by farmers

**OUTPUT**: A quarterly option to pay for the implication of their crops - One-year trial agreement

**INPUT**
- Climate risks and vulnerability
- Output: Adaptation to climate change

**INDEX-BASED INSURANCE ADOPTION PROCESSES**

**MODEL OF INDEX-BASED INSURANCE**
- farmers’ perceptions on risk transfer mechanisms; diffusion of innovation; perception and adoption processes
- listing of adaptive criteria; requisite information related to different aspects of index-based insurance

**OUTPUTS**
- Farmers’s perceptions on risk transfer mechanisms; diffusion of innovation; perception and adoption processes
- Listing of adaptive criteria; requisite information related to different aspects of index-based insurance

3. METHODOLOGICAL FRAMEWORK

**METHODS**
- semi-structured interviews and direct observations

**EXPERTISE**
- ONS as public institution for agricultural funding and security
- AMAB as existing mutual insurance of farmers (promoter of index-based insurance)
- PlaNet Finance as new financial institution (promoter of index-based insurance)

4. RESULTS

Furthermore, the involvement of farmers’ organisations incites and reassures grassroots farmers

- Farmers’ organisations agree with the climate index insurance!!
  - **Facts & Events**
    - The biggest farmer’s organisation in Benin (AMAB) is involved in financial and communication meetings around the index-based insurance
  - The company itself its a partner of AMAB in due to the importance of the PlaNet product

- **Issues**
  - Grassroots farmers arechein their understanding of these leaders
  - Farmers are ready to adopt after better understanding ofthe product.

5. CONCLUSION AND OUTLOOK

However, national financial scandals represent a hard barrier for farmers’ adoption!!

- **Facts & Events**
  - Some illegal financial institutions (ICC services and others) proposing to farmers are blamed to be weakly managed
  - The financial scandals as barrier for IBI adoption!!

- **Issues**
  - Farmers are very careful to avoid to be again duped
  - There is a genuine risk management issue related to index-based insurance