



**COMMUNITY PARTICIPATORY ASSESSMENT OF GOVERNMENT EXPENDITURE ON  
AGRICULTURE (NATIONAL AND STATE LEVEL)/COMMUNITY SCORE CARDS ON  
SMALLHOLDER WOMEN FARMERS ACCESS TO AGRICULTURAL  
INSURANCE SERVICES IN NIGERIA**

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## TABLE OF CONTENT

FOREWORD .....	1
OBJECTIVES OF THE ASSESSMENTS .....	2
EXECUTIVE SUMMARY .....	3
ACRONYMS .....	4
METHODOLOGY .....	5
TYPES AND SOURCES OF DATA .....	6
FINDINGS .....	7 - 20
MODALITIES FOR THE PAYMENT OF THE INSURANCE PREMIUM .....	8
HANDLING OF COMPENSATION TO SHWF .....	8
CHALLENGES .....	21 - 23
RECOMMENDATIONS .....	24 - 25
ABOUT ACTION AID .....	26 - 27

## FOREWORD

**ActionAid Nigeria (AAN)** is implementing Phase 3 of the Public Financing of Agriculture (PFA) project which is designed to strengthen and deepen Public Financing of Agriculture, address the challenges of low voice and participation of smallholder women farmers in agricultural policy making processes at local, state and national levels.

The project also focuses on addressing issues of poor access and control over land and low spending on smallholder agriculture by the government at all levels and little support to smallholder women farmers. These include lack of access to agricultural credit and finance; business development and advisory services, women-friendly agricultural extension and market access, technology, crop insurance, etc.

A key component of the project deliverable is supporting smallholder farmers to undertake annual assessment of government expenditure on the agricultural sector at the national and state levels and making such analysis available in a format appropriate for engaging relevant stakeholders. ActionAid Nigeria worked with community and citizens groups and a consultant to carry out this assessment with partners in Ondo, Kwara, Delta, Gombe, FCT, Bauchi, Kogi and Ebonyi States and at the national level.

The government's agricultural insurance scheme was initiated to protect smallholder farmers from losses particularly due to climate change or any other eventuality at national and state level; to increase their production, productivity and secure sustainable livelihoods. This assessment evaluated the extent to which the objectives of the existing agricultural insurance scheme are being achieved, who is benefiting, and to what extent it has contributed to tackling poverty among smallholder women farmers and promoting food security.

The assessment determined the rationale for the existing agricultural insurance scheme as well as if smallholders were involved in the design and identification of priorities for funding. The assessment was able to provide tangible information as to the accessibility, appropriateness, timeliness, usefulness of the scheme and quality of service provision targeting smallholder farmers especially women. This document will provide CSOs, smallholder farmers and the communities with evidence for policy advocacy as well as holding government at the different tiers accountable and address the following areas:

- i. The poor state of Agricultural Insurance uptake in Nigeria
- ii. Statistical facts on gaps on Agricultural Insurance uptake in Nigeria, particularly as it relates to the Smallholder Women Farmers (SHWF).
- iii. The need for the assessment as the outcome portends data for government policy decisions, Institutional Strengthening, state of Smallholder Women Farmers (SHWF) awareness, level of current Agricultural Insurance uptake etc.

**ENE OBI**

Country Director



## OBJECTIVES OF THE ASSESSMENT

**To identify budgetary allocation against actual expenditure to agriculture insurance**  
from 2014 - 2018 fiscal years with beneficiary analysis and ratios.

**To identify the government's agricultural insurance scheme**  
at both national and state levels covering who pays for the insurance premiums, the value for money, how compensation is calculated and handled; and who benefits within the household.

**Ascertain the level of government expenditure on agricultural insurance services**  
that specifically targets and supports smallholder women farmers in the respective PFA States.

**To assess the extent the objectives of the government's agricultural insurance scheme have been achieved**  
and or met its set targets.

**Determine the % allocation and expenditure on agricultural insurance available**  
to smallholder women farmers and cooperatives in relation to annual sector budget per state.

**To determine if smallholders especially women were involved in the design and priority setting for funding areas**  
as criteria for accessing such agricultural insurance scheme.

**To review the gender responsiveness**  
(Determine the number of beneficiaries in relation to smallholder women farmers against other groups both at National and State level), accessibility, adequacy, appropriateness, usefulness and timeliness of the agricultural insurance scheme in addressing and compensating smallholder farmers, particularly women farmers' losses due to climate change or other eventuality.

**To generate information on the quality of public service provision**  
(What services are provided? When is the scheme triggered? Do smallholders' benefit, did they get any compensation? What about the landless who lost their incomes) in agricultural insurance and its contribution to ending poverty and hunger.



## EXECUTIVE SUMMARY

The risk-prone nature of agricultural enterprises heightened these days by the climate change challenge has brought to bear the inevitable need for uptake of agricultural insurance cover by smallholder farmers particularly women in Nigeria. This has given rise to this study which focused on the Nigerian government expenditure on agriculture as it relates to agricultural insurance access by Smallholder Women Farmers (SHWF).

The study covered Nigerian Agricultural Insurance Corporation (NAIC) as the key public institution and provider of insurance to such farmers in Nigeria, and then two hundred and twenty-four (224) leaders of cooperatives and group under the auspices of Small Scale Women Farmers Organization in Nigeria (SWOFON) who are the representatives of the users of agricultural insurance in Nigeria. They were drawn from the Federal Capital Territory (FCT) and seven (7) states of Nigeria. The seven (7) states include; Bauchi, Gombe, Kogi, Kwara, Ondo, Delta and Ebonyi.

Data (information) was derived from both secondary and primary sources. While NAIC provided secondary data through documentary materials, interviews and discussions with their management staff, the SHWF leaders provided users (clients) data through their responses to questionnaire and Focused Group Discussions (FGDs) and interface-meetings held with them. Finally a validation workshop was also held with about two hundred participants drawn from stakeholders in the agricultural insurance sector: Bank of Agricultural (BOA); Federal Ministry of Agriculture and Rural Development (FMARD); State Agricultural Development Programmes (ADPs); Nigerian Agricultural Insurance Corporation (NAIC), ActionAid Nigeria (AAN), Central Bank of Nigeria (CBN), leaders of Small-Scale Women Farmers Organization in Nigeria (SWOFON), and Fatoa and Associates Nigeria Limited (FANL); the consultants.

Data obtained in the course of the study was analyzed through, frequencies, percentages, Likert-scale measures ranking and charts presented as tabular and in figure format. Findings of this study showed that occurrences of farm perils were major triggers of farmers response to acquiring agricultural insurance and that the source of information on knowledge about GAI scheme by the SHWF were mostly through the radio (24.6%), cooperatives (23.5%) and farmer groups (13.8%). On gender responsiveness to GAI, it was found that even though the scheme covered both male and female, it still scored more towards the male-gender with 60% access. GAI scheme, was also found to have covered crops, livestock, fishery, extension education and monetary compensation at time of loss. Importantly, the involvement of the SHWF in the planning of GAI services was indeed very low.

The five fiscal years (2014- 2018) of government budgetary allocation to agricultural insurance was found to be ₦2,441,457,880.00 while the budgetary release within the same period was ₦1,548,137,731.00, giving the aggregate percentage released for the five years to be 63%. Findings also revealed that out of ₦1,148,472,924.69 budgetary expenditure in the five years by NAIC, only ₦37,170,783.06 was accessed by SHWF, which represented 3.24% out of NAIC total farm loss compensation for the five- years (2014 - 2018).

The ratings on the GAI services by the end-users (SHWF), in terms of its quality and value added, were extremely poor as it relates to its accessibility, adequacy, appropriateness, usefulness, timeliness and affordability. The impact of the GAI scheme on the livelihood of the SHWF at the time of their farm perils; GAI 'usage-reduction' of SHWF farms perils and GAI usage impact on the SHWF 'build-back' to their livelihood all had overwhelming negative responses, indicating that the impact of GAI provision to women farmers was very poor in Nigeria.

Many challenges were found to have bedevilled the sector, critical among which were low awareness and knowledge about GAI; poor funding on the part of government; delays in banks remittal of farmers premium; illiteracy factor on the part of SHWF; non coverage of agricultural crops destroyed by cattle in the GAI scheme; and, negative perception from the public about insurance. The study made several recommendations on ways of revamping GAI services and making it effective in supporting SHWF in Nigeria key among which are: aggressive execution of awareness creation about GAI scheme within rural communities in Nigeria; ensuring that the end-users (SHWF) of the GAI services are fully involved in its design and planning; increased provisioning in government budgetary allocation to agricultural insurance, as well as same for the SHWF; and, the need for more effective collaboration between major stakeholders (Ministries of Agriculture, State ADPs, BOA, NIRSAL, FMARD, NAIC and CBN) in the agricultural insurance sector.



# ACRONYMS

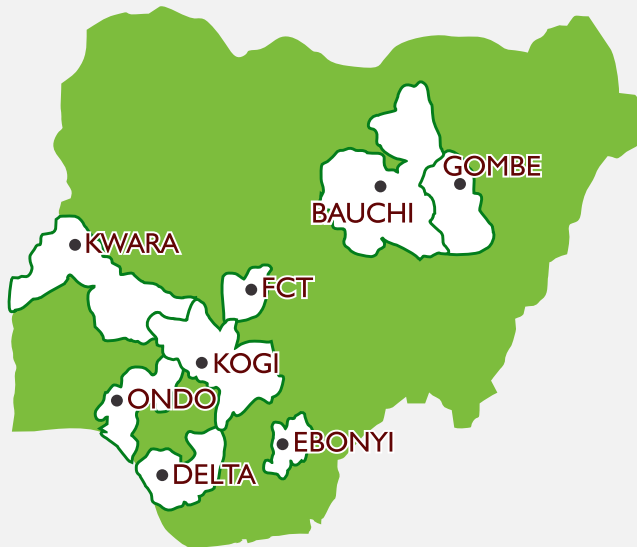
AAN	ActionAid Nigeria
ADP	Agricultural Development Programme
BOA	Bank of Agriculture
CBN	Central Bank of Nigeria
CSO	Civil Society Organizations
FANL	Fatoa and Associates Nigeria Limited
FGD	Focused Group Discussion
GAI	Government Agricultural Insurance Scheme
HH	Household
NAIC	Nigerian Agricultural Insurance Corporation
NAICOM	National Insurance Commission
NIRSAL	Nigeria Incentive-Based Risk sharing System for Agricultural Lending
NAIS	National Agricultural Insurance Scheme
NGO	Non-Governmental Organization
PFA	Public Financing of Agriculture
PPP	Public-Private Partnership
SHWF	Smallholder Women Farmers













## METHODOLOGY

The survey research was designed as a two-prong approach of eliciting data (information) from the providers (institution) of agricultural insurance as well as its users (beneficiaries). In survey research, information is about human population in which direct contact is made with the unit of study. The unit of study could be organizations, individuals and communities through the means of instrument, such as questionnaire, interview guides, focused group discussions and observation.



## LOCATION OF STUDY

-  Kogi (North Central Region)
-  Kwara (North Central Region)
-  FCT (North Central Region)
-  Bauchi (North East Region)
-  Gombe (North East Region)
-  Ondo (South West Region)
-  Delta (South-South Region)
-  Ebonyi (South East Region)

(The sampling frame was both institutional and client based)

### FIVE INSTITUTIONS TARGETED



**BOA**  
Bank of  
Agriculture



**FMARD**  
Federal Ministry of  
Agriculture and  
Rural Development



**NIRSAL**  
Nigeria Incentive-Based  
Risk Sharing System  
for Agricultural Lending



**NAIC**  
Nigerian Agricultural  
Insurance Corporation



**CBN**  
Central Bank of  
Nigeria

However, in the course of field work it became obvious that the principal institution directly concerned with providing agricultural insurance to particularly smallholder farmers in Nigeria is NAIC. Therefore, our focus of institutional frame for the study was NAIC, where desk reviews, documentary, interview and discussions were conducted for institutional data.

The client-based data was collected from the end users of the agricultural insurance services who are the Smallholder Women Farmers (SHWF) using the platform of the Small-Scale Women Farmers Organization in Nigeria (SWOFON) chapters in each of the 8 states covered for the study. The questionnaire on the access to agricultural insurance for the scorecard was first sent to leadership of all their primary farmers' cooperatives and groups at community units in the entire three senatorial zone (North, Central and South) of each state. Thereafter, Smallholder Women Farmers representatives from the three senatorial zones met at the state level with officials of AAN through FGDs to produce a harmonized state scorecard on the women access to agricultural insurance services. However, for FCT, the questionnaire was first sent to the six (6) Area councils as they have no senatorial zone before harmonization.

Finally, an interface-meeting to agree on the score cards was held after the State level Score-card harmonization between the SWOFON leadership, officials of the State Ministry of Agriculture, Agricultural Development Programme (ADP) and Nigerian Agricultural Insurance Corporation (NAIC), Bank of Agriculture and ActionAid Nigeria (AAN) at each state level including the FCT, Abuja.



## TYPES & SOURCES OF DATA

### PRIMARY SOURCE OF DATA

From NAIC,

that is documents bordering on payments for the insurance premiums, calculation of compensations, triggering of response to farmers' demands, budgetary allocations, release and expenditure between 2014-2018 fiscal years.

### PRIMARY SOURCE OF DATA

Mainly from the leadership of the SWOFON, as aggregated and harmonized at each State level.

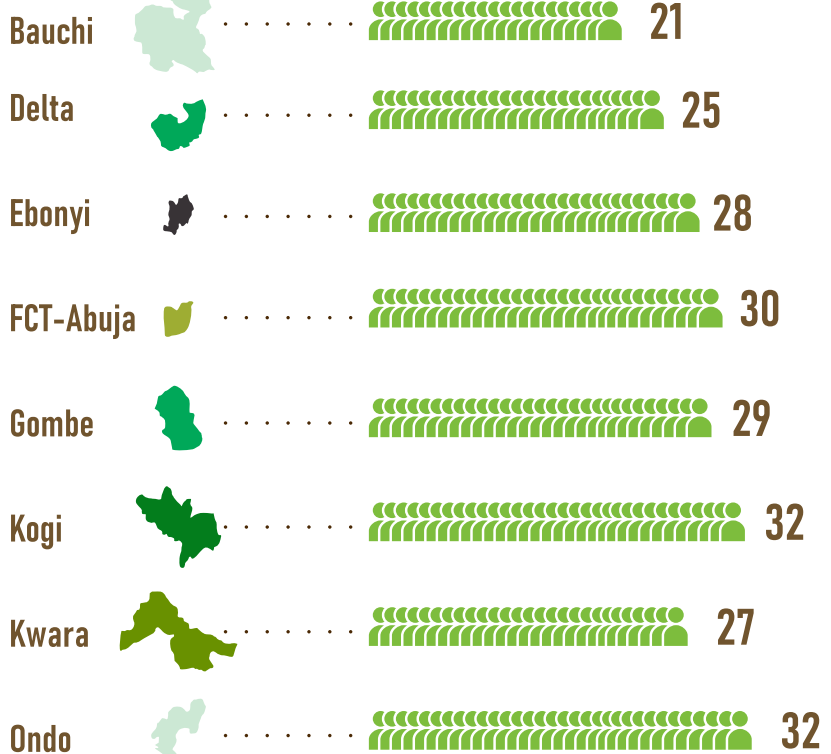
## DISTRIBUTION OF SHWF

(Cooperatives and Groups) Leadership engaged in the FGDs/Interface-meeting at State Level

**TOTAL = 224**

Source: Field Survey Data, 2019

### STATE





# FINDINGS

## THE DATA COLLECTED FROM THE FIELD

### Data from NAIC

### Primary data sourced from the end-users (SHWF)

The data (information) collected from the field is here presented in two parts. First is data from NAIC which is the main institution directly involved in providing insurance cover to farmers, including the smallholder women farmers in Nigeria.

## PART ONE

### Data from the NAIC

### Overview of NAIC Programme & Activities in Nigeria

#### 1. Commencement of NAIC

The Nigerian Agricultural insurance Scheme (NAIC) was launched in **December, 1987** & the insurance business commenced a year after in **1988**. The scheme came with an enabling Act in the year 1993, which made it compulsory for all agricultural funding channels.

#### 2. RESPONSE TRIGGERS

NAIC provides compensation (indemnity) on the occurrence of the farmers insured peril. Indeed, a couple of agricultural disasters in the past has triggered response to insurance acquisition and has made it vital to all serious farmers, including Smallholder Women Farmers (SHWF) and their institutional financiers.

#### 3. Immediacy of NAIC Response

According to NAIC in situations or cases of disaster that requires compensation to the smallholder farmers, their response to the report of loss is immediate. **NAIC gives attention to claims within 24 - 48 hours.** Equally with submission of complete claim documents, **compensation is given within 21 days (3 weeks).**

#### 4. NAIC services to Smallholder Farmers

- Insurance cover to crops, livestock, other assets and investments.
- Extension education through risk management and farm advisory services.
- Monetary compensation at time of loss.



### Design-Set (objectives/target) of NAIC, As Government key Agriculture Insurance Provider:

The NAIC scheme was designed to protect farmers against natural risks such as flood, storm, drought, pests and diseases. It has the element of subsidy where the farmers, and the government at the Federal and the States levels share the charged premium.

### The objectives of the scheme are:



To provide appropriate compensation in the event of losses arising from natural disasters.



To induce agricultural production.



To reduce dependence on government's adhoc support at times of natural disaster.



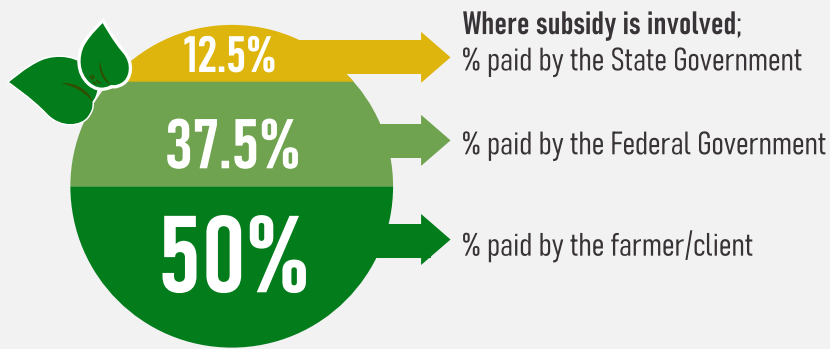
To induce access to credit.



To subsidize agricultural insurance.

## MODALITIES FOR THE PAYMENT OF THE INSURANCE PREMIUM

The farmer pays for the insurance premium.



However, in the case of unsubsidized situation, the insured pays 100% of the charged premium.



**VALUE FOR MONEY FOR THE INSURED SMALLHOLDER FARMER:**

Prompt Support and compensation in the event of loss due to peril (to ensure such a farmer is brought back to business).

Participation in the extension education and enlightenment programmes on good agronomic practice for crops and animal production.

Exposure to risk management approaches and farm advisory services.

Encouraging lending institute to lend to agriculture.

Leads to increase in agricultural production.

## HANDLING OF COMPENSATION TO SMALLHOLDER FARMERS

The calculation of compensation and its handling varies as it is based on the agricultural activity and its strategies.

For crops, under indemnity, cover, what is considered is the stage of loss which are three;



**CROP**



**45%**

1st, the crop germination to the first early growth



**65%**

2nd, is the stage between the first and the flowering stage



**90%**

3rd, Maturity

*These percentages are applied to the sum insured.*



**LIVESTOCK**

For domestic livestock, it is based on;

**cost of input (30%) and cost of purchase (70%), of the sum insured.**

The cost of purchase remain standard, the cost of input varies with the period until the animal dies.



**FISHERY**

At six-month maturity period, the calculation of compensation is based on prorated rate.



## BENEFICIARIES OF GOVERNMENT AGRICULTURAL INSURANCE (GAI) SCHEME & INVOLVEMENT OF SMALLHOLDER WOMEN FARMERS IN ITS DESIGN (Planning, Framework, Implementation Process)

Based on the response of NAIC, they hold that the scheme covers all farmers (male/female) so long as they insured their projects. Equally, the coverage extends to the lending banks. Therefore, the scheme benefits all farmers that insured his/her project with NAIC.

On whether the Smallholder Women Farmers were involved at the commencement of the agricultural insurance scheme, NAIC official maintained that farmers opinion was sought generally of which women were a part. To reinforce their involvement, they insist that it is the reason why two membership seats of NAIC Board are reserved for the farmers.

A further probe by the researchers on the 'extent of involvement', of the smallholder women farmers in the planning of the Agricultural Insurance Scheme, shows response of NAIC on a 4-Point Likert-Scale which indicates that their involvement was low.



OPTION	RESPONSE
Very High	0%
High	0%
Low	100%
Not at all	100%

Source: Field Survey Data, 2019

NAIC officials were generally of the opinion that 'gender awareness' was just budding at the period. However, the commission follows up on the trend with women and youth sensitization programme in selected states of the country on annual basis.

The researchers equally sought to know if the critical 'area of the need' of the Smallholder Women Farmers (flooding, pest and theft, etc), were considered while funding the insurance scheme. NAIC reaction was in the 'affirmative', with a 'very high' response captured in a 4-point Likert-scale.

## DISTRIBUTION ON NAIC RESPONSE ON CONSIDERATION OF SHWF NEEDS IN GAI DESIGN

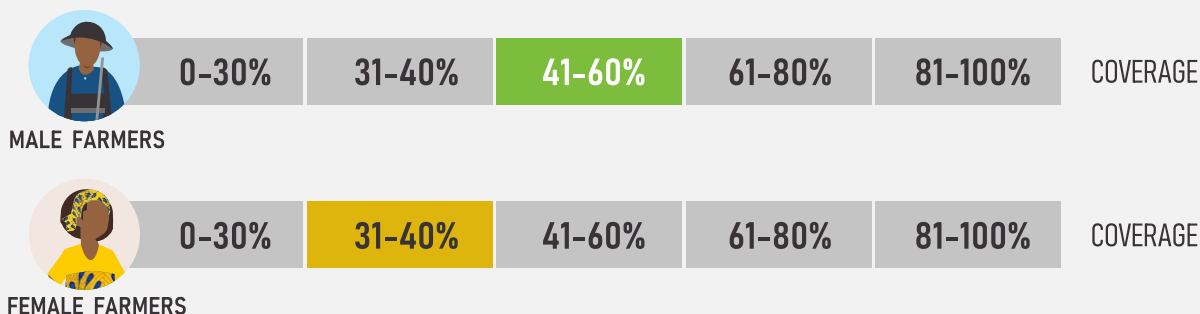
OPTION	RESPONSE
Very High	100%
High	0%
Low	0%
Not at all	0%

Source: Field Survey Data, 2019

## GENDER COMPARISON ON LOSS COMPENSATION OF THE GOVERNMENT AGRICULTURAL INSURANCE (GAI) SCHEME

NAIC officials maintained that there is no discrimination on gender and that loss compensation is based strictly on merit of each case irrespective of the claimant being a male or female farmer so long as it's a genuine loss situation. They further clarified that if 'More-men' suffered losses than women, it is implied that more men with genuine claims would be compensated and that if more women suffer losses than men it implies that more women with genuine claims would be compensated.

### DISTRIBUTION OF NAIC RESPONSE ON POPULATION OF INSURANCE COVERAGE BY GENDER

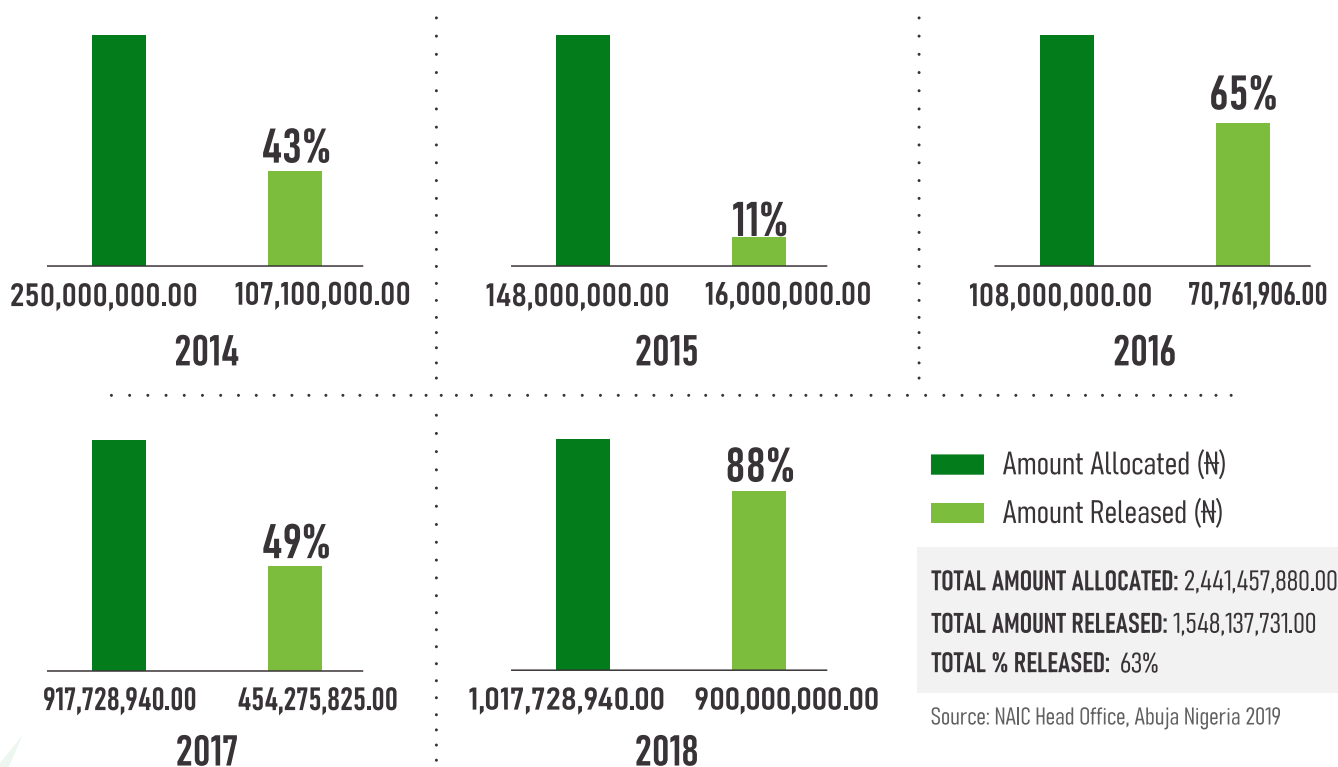


Based on the response, it was obvious that more male farmers (60%) are covered in the agricultural insurance than the female farmers (40%).

Source: Field Survey Data, 2019

### DISTRIBUTION BY GOVERNMENT (NAIC) BUDGETARY ALLOCATION AND RELEASES TO AGRICULTURAL INSURANCE

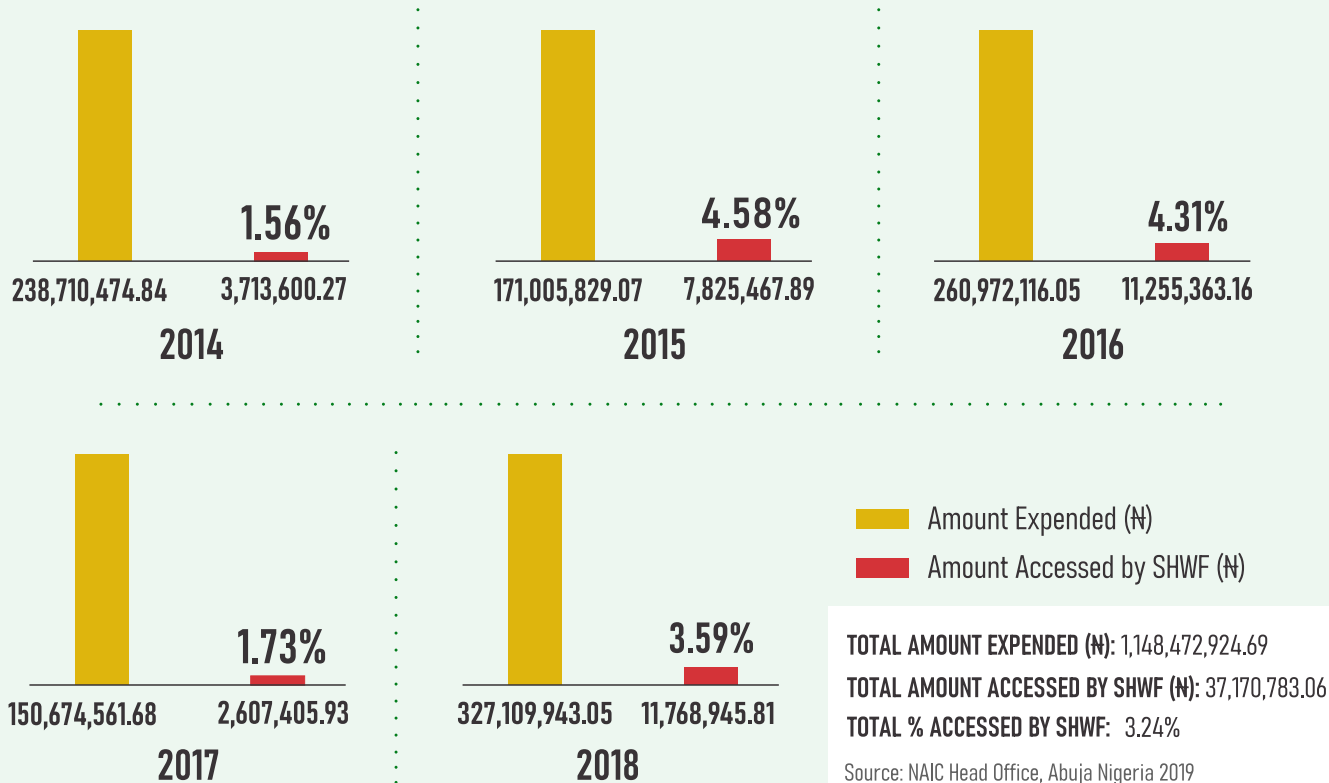
The researchers advanced further in their gender probing of funding in agricultural insurance through the assessment of government budgetary allocation to agricultural insurance, actual budgetary releases to agricultural insurance; actual budgetary expenditure in compensating farmers losses; and, the proportion of the budgetary expenditure made that supported smallholder women farmers in the last five years (2014 to 2018) farming seasons.



Source: NAIC Head Office, Abuja Nigeria 2019

At no time in the five years (2014–2018) farming season was the whole government budgetary allocation to agricultural insurance released. Apart from year 2018 when 88% was released followed by 2016 when 65% was released, the other years had less than half of the government allocation to agricultural insurance released.

## DISTRIBUTION BY GAI BUDGETARY EXPENDITURE AND SHARE OF SMALLHOLDER WOMEN FARMERS (SHWF) IN NIGERIA



It is obvious from the records with 1.56% (2014), 4.58% (2015), 4.31% (2016), 1.73% (2017) and 3.59% (2018) that smallholder women farmers had extremely low access over the years.

## PART TWO

This section presents primary data sourced from the end-users (SHWF) on their involvement and participation in GAI scheme;

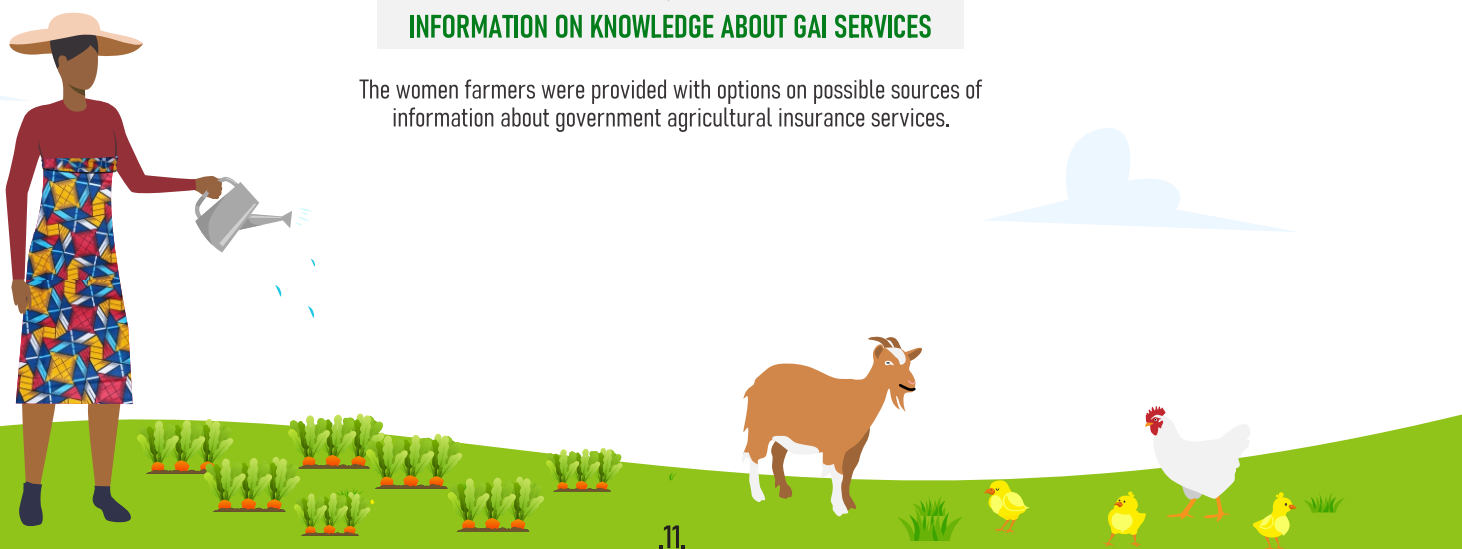
the quality (value added) of the insurance services

its impact on their livelihood










challenges they face in the programme

### INFORMATION ON KNOWLEDGE ABOUT GAI SERVICES

The women farmers were provided with options on possible sources of information about government agricultural insurance services.



**DISTRIBUTION OF SHWF ON SOURCE OF KNOWLEDGE ABOUT GOVERNMENT AGRICULTURAL INSURANCE SCHEME (GAI)**












SOURCES	STATE-WIDE								COUNTRY-WIDE
	Bauchi	Delta	Ebonyi	FCT	Gombe	Kogi	Kwara	Ondo	Total
 Farmer-Friends	-	41.9%	9.1%	20%	14.8%	2.8%	-	9.5%	11%
 Cooperative	33.3%	16.3%	72.7%	-	33.3%	16.8%	8.3%	23.8%	23.5%
 Farmer-Groups	-	9.3%	-	-	-	25.2%	25%	9.5%	13.89%
 Church/Mosque	-	6.9%	-	-	-	-	-	9.5%	1.8%
 Radio	22.2%	16.3%	4.6%	10%	29.6%	26.2%	41.7%	38.1%	24.6%
 TV	22.2%	9.3%	-	20%	18.5%	6.5%	8.3%	-	9.3%
 Extension Agents	22.2%	-	13.6%	10%	3.8%	6.5%	-	-	6.4%
 Newspaper/ Brochure/Fliers	-	-	-	10%	-	13.1%	12.5%	-	6.4%
 Consultants/ Services	-	-	-	30%	-	2.8%	4.2%	9.5%	3.2%
<b>TOTAL (100%)</b>	<b>27</b>	<b>43</b>	<b>22</b>	<b>10</b>	<b>27</b>	<b>107</b>	<b>24</b>	<b>21</b>	<b>281</b>

The source of information on knowledge about GAI scheme by the SHWF were mostly through;





## SMALLHOLDER WOMEN FARMERS (SHWF) WHO GOT INSURED IN THE GOVERNMENT AGRICULTURAL INSURANCE SCHEME

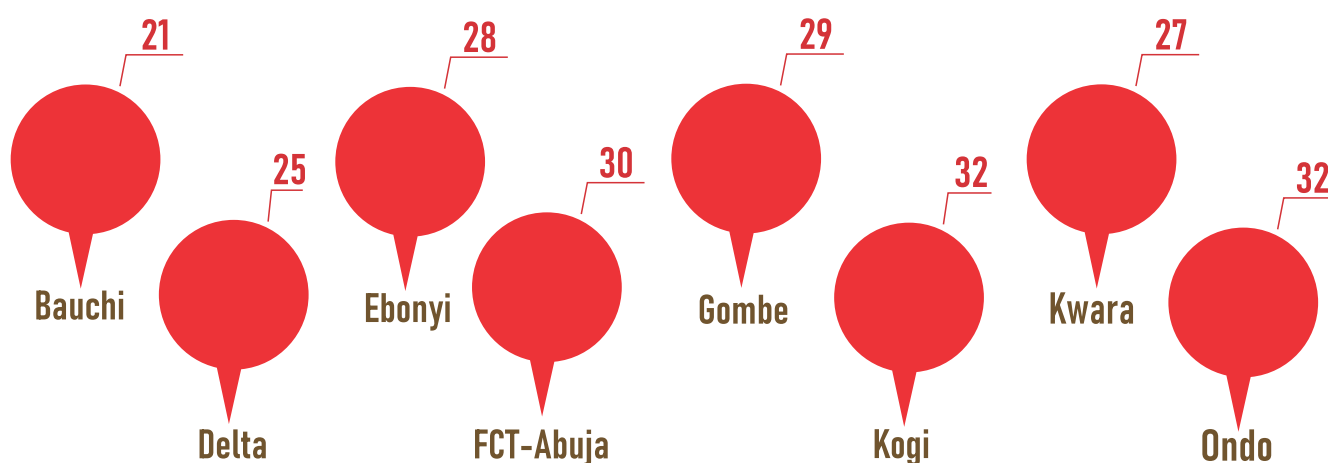
State	2014	2015	2016	2017	2018	SHWF cooperatives/ groups insured
Bauchi 	-	-	-	-	-	-
Delta 	-	-	-	-	-	-
Ebonyi 	-	-	1	-	-	1 
FCT-Abuja 	-	-	-	-	-	-
Gombe 	-	-	-	-	-	-
Kogi 	-	3	-	6	3	12 
Kwara 	-	-	4	-	-	4
Ondo 	-	-	-	-	-	-
<b>TOTAL</b>	<b>0</b>	<b>3</b>	<b>5</b>	<b>6</b>	<b>3</b>	<b>17</b> 

Source: AAN Field Data 2019

Only 17 cooperatives and groups from 3 states out of the 8 states got insured within five-years that was assessed.

## SMALLHOLDER WOMEN FARMERS (SHWF) INVOLVEMENT IN THE DESIGN BEFORE COMMENCEMENT

### State-wide



### Country-wide



#### Degree of involvement

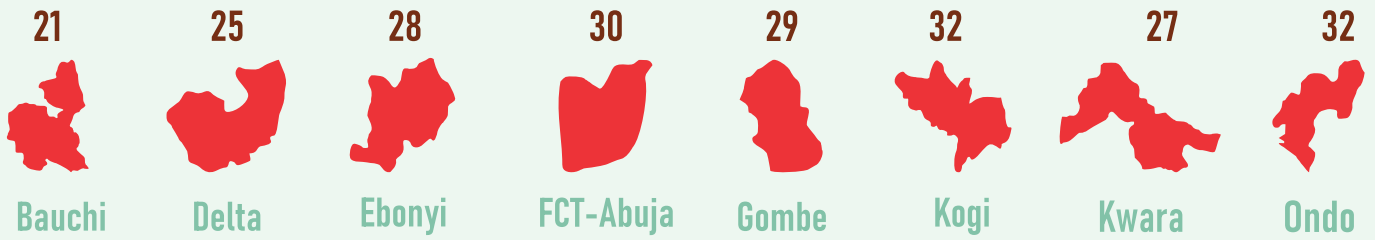
-  Very Involved
-  Involved
-  Slightly Involved
-  Not at all

Source: AAN Field Data September 2019

All the 224 representatives (Leaders) from the cooperatives and groups at the states and national levels, indicated that they were "Not at all" involved in the design of the GAI scheme before its commencement in Nigeria

## GOVERNMENT AGRICULTURAL INSURANCE (GAI) SCHEME, MEETING THE AREAS OF NEED OF THE SMALLHOLDER WOMEN FARMERS (SHWF)

### State



### Country-wide



#### Level of meeting



Source: AAN Field Data September 2019

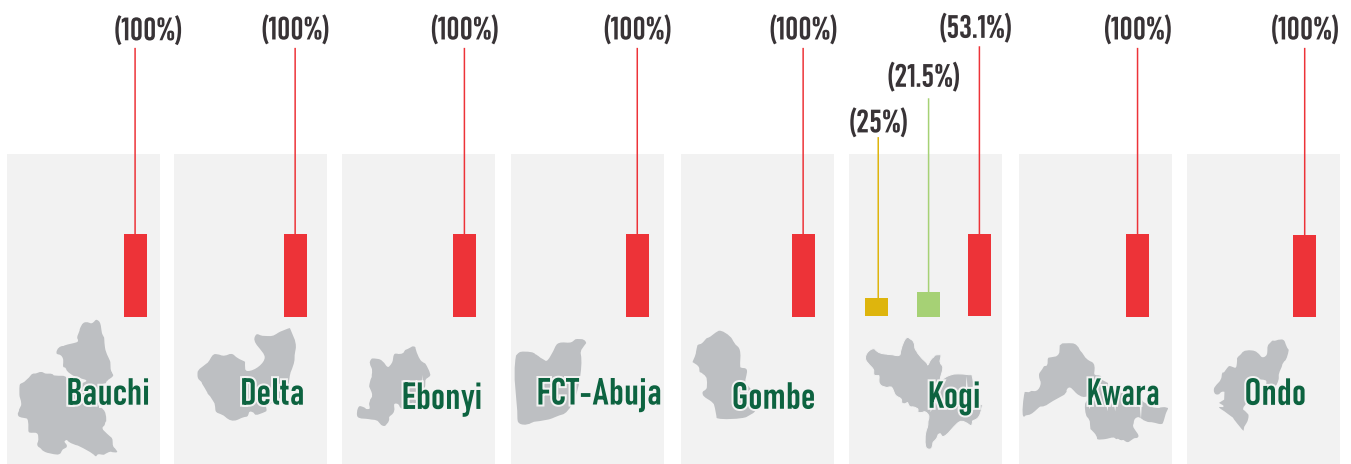
The 224 (100%) SHWF cooperatives/groups as represented by their leaders gave "Not at all" score indicator because they have never benefited.

## QUALITY (VALUE-ADDED) OF GOVERNMENT AGRICULTURAL INSURANCE (GAI) SERVICES BY SMALLHOLDER WOMEN FARMERS (SHWF)

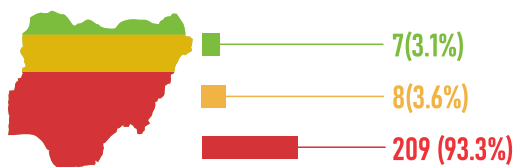
Information on how the quality of the GAI services has been in the last five years (2014 – 2018) farming seasons for the SHWF was sourced from the representatives (Leaders) of the cooperatives and groups during the FGDs at the State levels.

### Distribution on ACCESSIBILITY of GAI services (2014 – 2018)

#### State-wide



#### Country-wide



#### Degree of accessibility

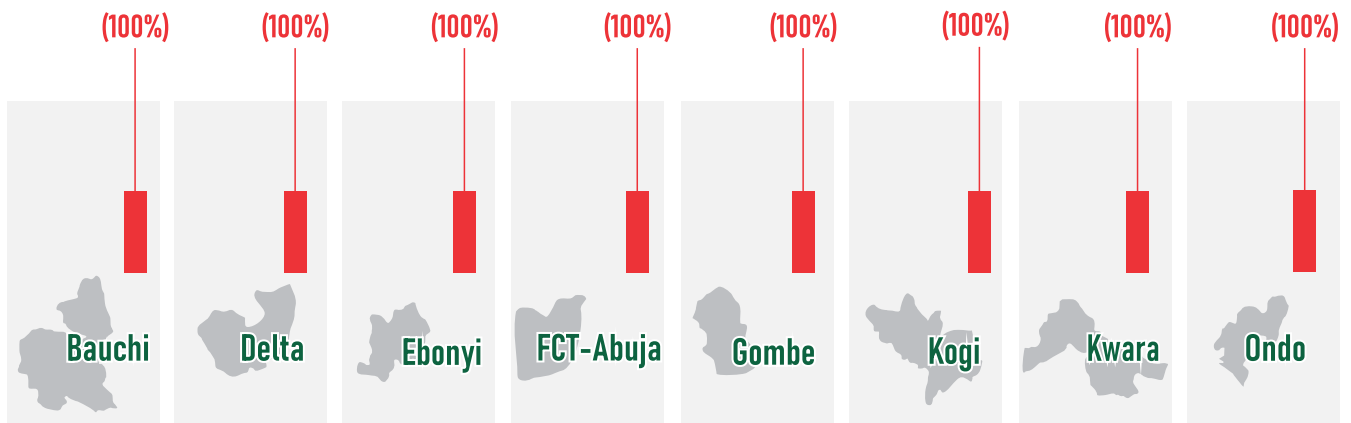


Source: AAN Field Data September 2019

Only Kogi State had indicator scores of Accessible 7 (21.9%) and Slightly Accessible 8 (25%), the remaining 209 (93.3%) SHWF indicated "Not Accessible"

## Distribution on ADEQUACY of GAI services to SHWF (2014 - 2018)

### State-wide



### Country-wide



#### Degree of Adequacy

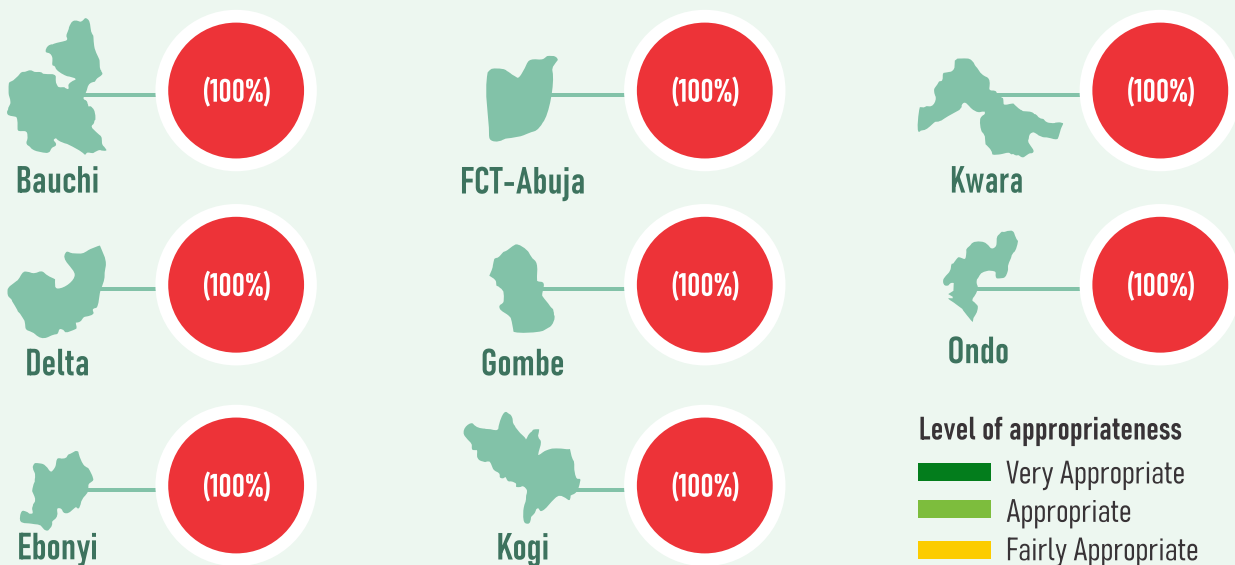
- █ Very Adequacy
- █ Adequate
- █ Fairly Adequate
- █ Not Adequate

Source: AAN Field Data September 2019

224 (100%) of Leaders of the SHWF representing their various cooperatives and groups across the 8 states returned "Not Adequate" response.

## Distribution on APPROPRIATENESS of GAI services to SHWF (2014 - 2018)

### State-wide



#### Level of appropriateness

- █ Very Appropriate
- █ Appropriate
- █ Fairly Appropriate
- █ Not Appropriate

Source: AAN Field Data September 2019

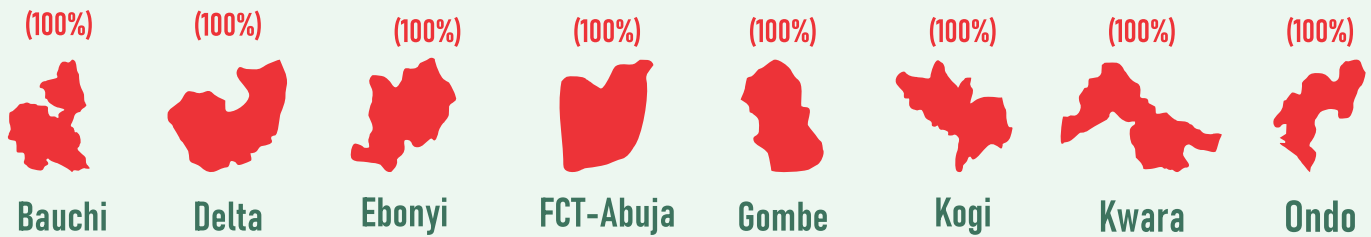
### Country-wide



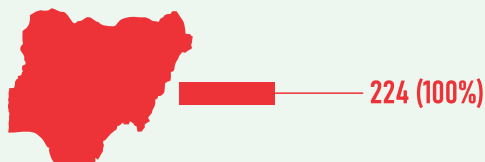
The level of appropriateness of GAI services was scored "Not Appropriate" by all the 224 (100%) Leaders representing cooperative and groups of the SHWF.

## Distribution on USEFULNESS of GAI services to SHWF (2014 - 2018)

### State-wide



### Country-wide



#### Level of Usefulness

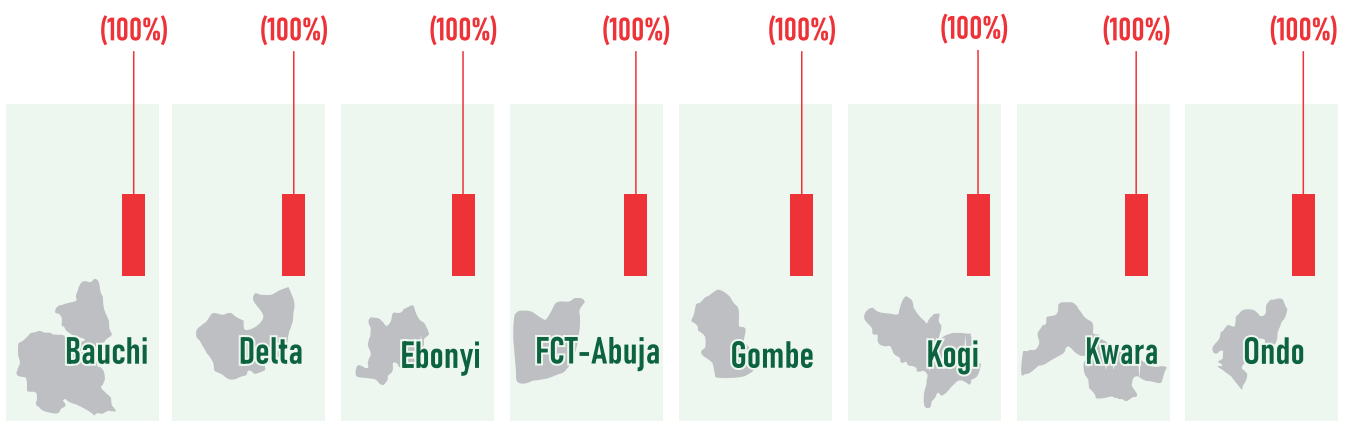
- Very Useful
- Useful
- Fairly Useful
- Not Useful

Source: AAN Field Data September 2019

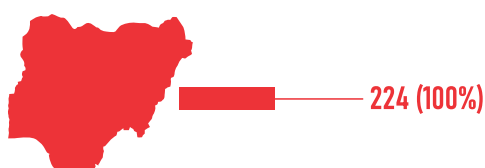
The entire 224 (100%) Leaders of the cooperatives and groups representing the SHWF across the states, rated the level of usefulness as "Not Useful"

## Distribution on TIMELINESS of GAI services to SHWF (2014 - 2018)

### State-wide



### Country-wide



#### Level of Timeliness

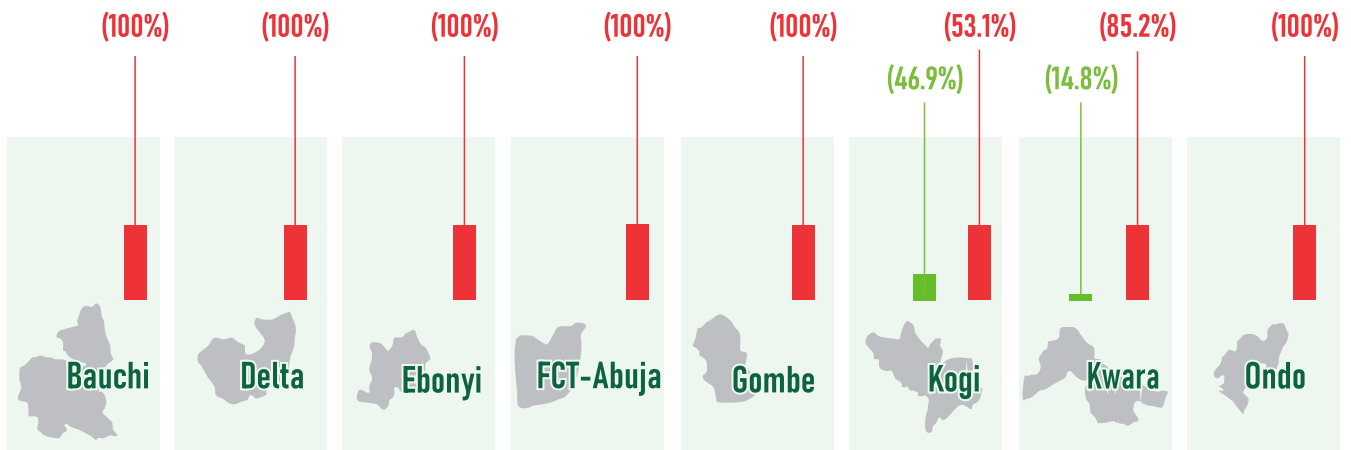
- Very Timely (within 2 weeks)
- Timely (within a month)
- Fairly Timely (within 3month)
- Not Timely (above 3 months)

Source: AAN Field Data September 2019

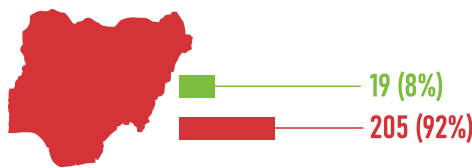
The level of timeliness, indicated that the 224 (100%) Leaders representing cooperatives and groups across the states returned a "Not Timely" score on the GAI services.

## Distribution on AFFORDABILITY of GAI premium to SHWF (2014 – 2018)

### State-wide



### Country-wide



#### Level of Affordability

- Very Affordable
- Affordable
- Fairly Affordable
- Not Affordable

Source: AAN Field Data September 2019

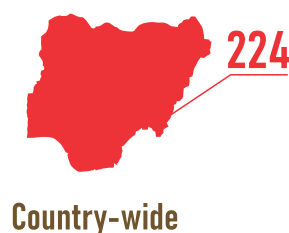
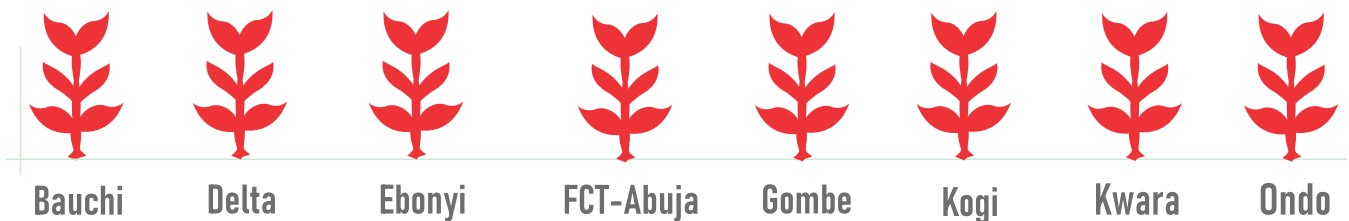
19 groups/cooperatives had gotten insured in the past and admitted that it was affordable though the groups never received compensation when they suffered losses. The remaining 205 (92%) Leaders of the cooperatives and groups representing the SHWF cooperatives and groups, rated the GAI premium as "Not Affordable" because they have never been insured.

## IMPACT OF GOVERNMENT AGRICULTURAL INSURANCE (GAI) SCHEME ON LIVELIHOOD OF SMALLHOLDER WOMEN FARMERS (SHWF)

Extent of Benefitting from GAI Scheme, below displays the response of the SHWF in course of the FGDs engagement on the extent they have benefitted from GAI over the years during periods of perils (flood, fire outbreak, drought, windstorm, etc) across 7 states and the FCT.

### Distribution on Extent SHWF has benefitted during the periods of peril from GAI Scheme

#### State-wide



#### Extent of Benefit

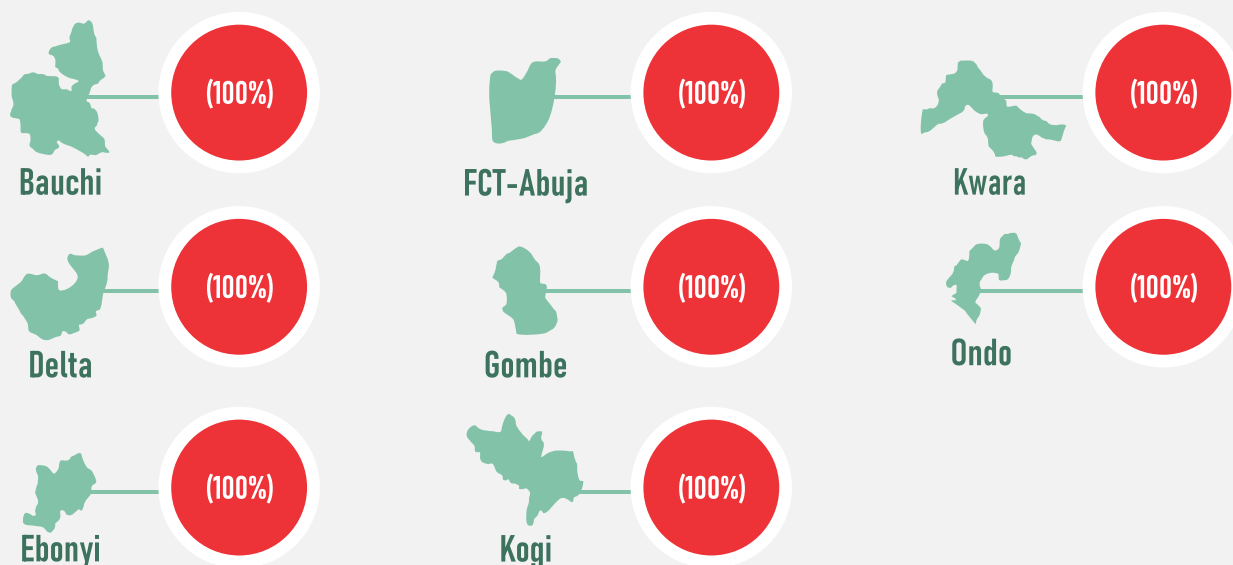
- Very Great Extent
- Great Extent
- Some Extent
- Not at all

Source: AAN Field Data September 2019

All the Leaders 224 (100%) of the cooperatives and groups rated the extent of benefit as "Not at all" as those that were insured never got compensation when they suffered losses

## DISTRIBUTION OF SHWF ON LEVEL OF COMPENSATION BY GAI SCHEME AT PERIODS OF PERIL (flooding, fire outbreak, drought, windstorm, etc)

### State-wide



### Country-wide



#### Level of Compensation

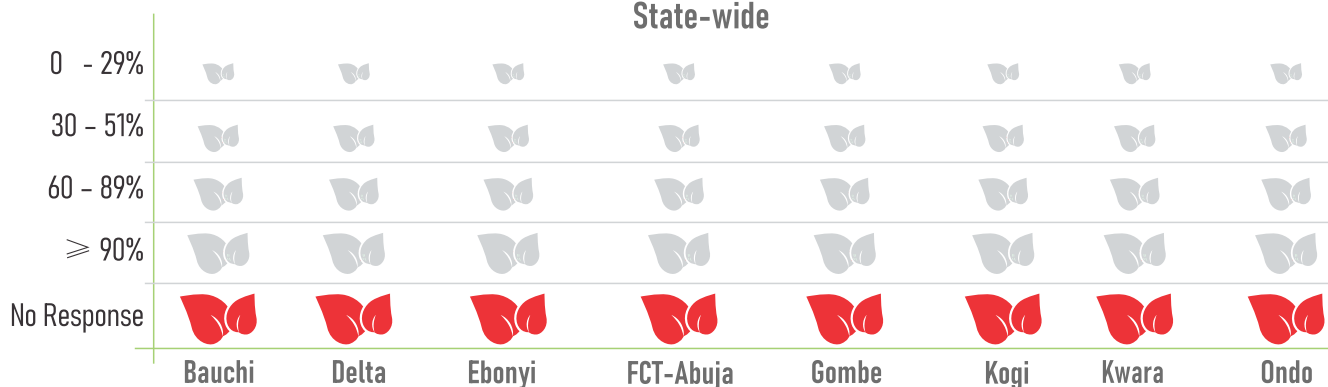
- Fully Compensated
- Not fully Compensated
- Not at All

Source: AAN Field Data September 2019

All the Leaders of the cooperatives and groups of the SHWF totalling 224 (100%) scored the indicator on compensation "Not at all" implying that none of them got compensation.

## DISTRIBUTION ON COMPENSATION SHWF HAS BENEFITTED DURING THE PERIODS OF PERIL FROM GAI SCHEME

### State-wide



### Country-wide



#### Range of Proportion

- 0 - 29%
- 30 - 51%
- 60 - 89%
- ≥ 90%
- No Response












Source: AAN Field Data September 2019

All 224 Leaders of the cooperatives and groups representing the SHWF indicated "No Response" on the range of proportion (%) on compensation received at periods of peril, this is because they have never received compensation, therefore cannot score the level or range of compensation.

## DISTRIBUTION OF SHWF ON GAI USAGE – REDUCTION OF IMPACT OF FARM PERILS

As displayed below, the response of the SHWF on the GAI usage – reduction of impact on farm losses due to the perils suffered by them in their past five years of accessing NAIC intervention.

Using a 5 – point Likert-scale of Very great extent (4 points), Great extent (3 points), Some extent (2 points), Very low extent (1 points) and Not at all (0 points), their responses were captured.

Farm Peril Indicator	STATE-WIDE								COUNTRY-WIDE
	Bauchi 4·3·2·1·0	Delta 4·3·2·1·0	Ebonyi 4·3·2·1·0	FCT 4·3·2·1·0	Gombe 4·3·2·1·0	Kogi 4·3·2·1·0	Kwara 4·3·2·1·0	Ondo 4·3·2·1·0	Total 4·3·2·1·0
 Flooding	21	25	28	30	29	32	27	32	224
 Storage facilities	21	25	28	30	29	32	27	32	224
 Pest & diseases	21	25	28	30	29	32	27	32	224
 Fire disaster	21	25	28	30	29	32	27	32	224
 Desertification	21	25	28	30	29	32	27	32	224
 Drought	21	25	28	30	29	32	27	32	224
 Windstorm	21	25	28	30	29	32	27	32	224
 Lightening	21	25	28	30	29	32	27	32	224
 Burglary/theft	21	25	28	30	29	32	27	32	224
 Workmen compensation	21	25	28	30	29	32	27	32	224
 Goods-In-Transit	21	25	28	30	29	32	27	32	224

As shown in the figure, all the 11 peril indicators identified in different colours were at 0 point (Not at all) scale.

## DISTRIBUTION OF SHWF ON EXTENT OF IMPACT OF GAI COMPENSATION IN BUILDING BACK THEIR LIVELIHOOD

The chart below shows the 5-point Likert scale responses of the SHWF on the extent of impact of the GAI Scheme on their build back after experiencing farm perils (flooding, fire outbreak, burglary and theft, drought, storm, windstorm, pest and diseases, etc) across the 7 states and the FCT studied as well as its country-wide outlook.

Farm Peril Indicator	STATE-WIDE								COUNTRY-WIDE
	Bauchi 4·3·2·1·0	Delta 4·3·2·1·0	Ebonyi 4·3·2·1·0	FCT 4·3·2·1·0	Gombe 4·3·2·1·0	Kogi 4·3·2·1·0	Kwara 4·3·2·1·0	Ondo 4·3·2·1·0	Total 4·3·2·1·0
 Food production	21	25	28	30	29	32	27	32	224
 Income	21	25	28	30	29	32	27	32	224
 Personal Household Nutrients	21	25	28	30	29	32	27	32	224
 Personal Household Education	21	25	28	30	29	32	27	32	224
 Personal Household Health	21	25	28	30	29	32	27	32	224
 Savings	21	25	28	30	29	32	27	32	224
 Farm	21	25	28	30	29	32	27	32	224
 Infrastructure (poultry, house, fish pond, farm building)	21	25	28	30	29	32	27	32	224

Source: AAN Field Data September 2019

As captured above, the 224 (100%) Leaders of the SHWF cooperatives and groups, rated all the seven-livelihood 'build-back' indicators '0'. This also reflected at the country-wide outlook. What this implies is that "Never at all" did GAI compensation had impact on the 'build-backs' of the SHWF, after suffering from farm perils in such livelihood areas as food production, income, nutrition, education, health, savings and farm infrastructure in their personal or household situations.



ENDER-USERS SMALLHOLDER WOMEN FARMERS (SHWF) CHALLENGES OF USING GOVERNMENT AGRICULTURAL INSURANCE (GAI) SCHEME IN NIGERIA

CHALLENGES

Low level of sensitization and awareness about GAI

Lack of knowledge on how to access GAI

Non-Involvement in its design and implementation

Weak synergy between NAIC, Extension Agencies (ADP) and Ministry of Agriculture

Only elites/political farmers seem to be targeted

Poor government funding of yearly remittal (funding) of premium subsidy to NAIC

Bank delays in remittal of farmers premium on time to NAIC

Inadequate number of staff in NAIC at State level

Stringency of government agricultural insurance policy make access difficult

Non-coverage of agricultural crops destroyed by cattle by GAI scheme

Poor publicity of NAIC activities

Non-compensation by NAIC to SHWF who were insured and suffered losses

Non-representation of SWOFON on Anchor Borrowers Programme Project Management Team

GAI cover mostly for those that have accessed loan

Source: AAN Field Data September 2019

## INSTITUTIONAL CHALLENGES OF PROVIDING GOVERNMENT AGRICULTURAL INSURANCE (GAI) SCHEME IN NIGERIA



### Low Awareness about Insurance Products

- Farmers and agribusiness are generally unaware and have limited understanding of the benefits of Insurance in the management of agricultural risks.
- They do not believe they will receive compensation for losses incurred.

- Infrastructure such as feeder roads and proper communication facilities are required to facilitate the assessment of the losses reported by farmers in order to ensure prompt claims payment.



### Inadequate Infrastructure & Support Service



### Lack of Actuarial Data

- Inadequacy of basic data for actuary planning and the estimation of premiums and claims variables.
- Inability to calculate the appropriate equitable premium for the various risks exposures.

- There are major delays from the Federal and State Governments.
- The arrears of premium subsidy have severely restricted the corporation from expanding her underwriting operations.
- There was reluctance or outright failure of contributors to the NAIC reserve fund to do so as per statutory provisions.



### Non-Remittance & Delay of premium subsidy payments



### High Start Up Cost

- The financial requirements for the administration of agricultural insurance programs are usually high and capital intensive.
- This is attributable to the acquisition of highly skilled manpower in both the field of agriculture and insurance, acquisition of infrastructural facilities of farm monitoring, inspection/loss surveys.

- Due to wide nature of coverage.
- Infrastructural need.



### High overhead Cost



## General perception of the public to Insurance

- Challenges by scepticism and the wrong image that the public has built over time about the Industry.
- Insurers are always unwilling to pay genuine claims by inserting hidden and ineligible clauses to frustrate the payment of claims.
- Some insuring public see NAIC as a distributor of Government largesse.
- NAIC was at times seen as a charitable organisation, provided with a pool of free fund to be distributed among the public without accountability.
- NAIC was a replica of other insurance companies who are always eager to collect premiums, but renege on meeting up with claims liabilities.

- Illiteracy in most farmers to accept and understand the message and concept of insurance.
- Difficulty for the targeted farmers to understand the guiding principles/basic idea of such a special product.
- When losses occur, it's difficult to make any compensation or claims acceptable to the farmers no matter the equity and fairness involved in the computation of the indemnity.
- Their belief/expectation would be to have total compensation for the loss, at times with even anticipation for a margin of profit.



## Illiteracy Factor



## Low Market coverage & insurance penetration

- Lack of diversified products.
- Non-dynamism of products to meet market needs.
- Weak outreach methodology to effectively engage the market.

- Limiting coverage to loan amount rather than total production.



## Risk Cover



## Budgetary Constraints

- Slowness of budget release.
- Non-payment of premium subsidy.

- Due to financial institutions lacking interest in funding agriculture.
- Laissez-faire approach of financial institutions in encouraging farmers insurance.



## Weak Scheme Participation

## RECOMMENDATIONS:

Aggressive execution of awareness creation of GAI within rural communities in Nigeria.

Ensuring that the end-users (SHWF) of the GAI services are fully involved in the design, planning and implementation of the programme.

Making agricultural insurance education and advisory services part of extension messages of extension staff of the state-wide Agricultural Development Programmes (ADP), Development Agencies, NGOs and other farmers extension service providers.

Both the Federal and State Governments should ensure strict adherence to timely remitting of their counterpart funds (subsidy) to NAIC to enable them to perform optimally.

Lending institutions (Banks) especially BOA should always remit promptly farmers premium to NAIC, to enable them be ready and respond promptly to payment of farmers losses.

NAIC should recruit more staff at the State level, followed by proper training on how to advance agricultural insurance education amongst SHWFs.

There is need to use local dialect in the effective communication of agricultural insurance education among SHWF.

There is need for more effective collaborations and synergy between major stakeholders (State ADPs, NAIC, BOA, Ministry of Agriculture, NIRSAL and CBN) in the agricultural insurance sector.

There is need to ensure prompt payment of compensation to individual women farmers who have suffered losses. This will build trust, believe and confidence among farmers.

There is need for dynamism in the sector, GAI services should for instance be reviewed to cover crop destruction by cattle as this will reduce farmers and herders crisis across the country and even post-harvest losses such as theft should be covered too.

GAI scheme should target all farmers irrespective of whether they have loans or not. By this, self-insurance will be covered.

NAIC, should decentralize their operations to be more effective. For instance, more Area offices should be established at identified farming communities to facilitate mobilization of farmers, supervision, monitoring and proper verification of claims

NAIC, should emphasize and take seriously the education of their clients (farmers), especially SHWFs on modalities of insurance uptake, particularly the issue of yearly premium payment, even when no farm peril occurred the outgoing year, and equally paying their supposed benefits at time of farm perils

## RECOMMENDATIONS:

The issue of farmer-clients, SHWF inclusive having and keeping good farmer records to enable NAIC or other insurance undertakers, calculating their individual compensations in time of farm peril should be emphasized. This could be achieved through extension and advisory services.

Due diligence should be taken by credit (BOA) and insurance (NAIC) providers in identifying credible farmer cooperatives and groups to work with. Background checks should be properly made before engagement, through their supervisory or regulatory authorities.

Lending institutions, particularly BOA, should upscale their mobilization efforts and education of group or individual farmer clients on the need to uptake insurance cover.

There is urgent need for flexibility, diversification and increase in agricultural insurance products with mindset of making it particularly more affordable, accessible and meeting the various needs of the farmers, especially SHWF.

The importance of planning on the short, medium- and long-term basis by NAIC, incorporating in the process their institutional capacity needs, funding and other resource needs to effectively cover Nigerian farmers, especially SHWF, should be done immediately.

In line with ensuring effective collaboration and introducing effectiveness in the system, NAIC could usurp the state-wide ADPs platform (Block meetings, FNTs) to raise the capacity of field extension agents (EAs, SMS) by training them on agricultural insurance practices to enable them be in a position to educate and advise farmers, especially SHWFs.





ActionAid Nigeria (AAN) is implementing Phase 3 of the Public Financing of Agriculture (PFA) project which is designed to strengthen and deepen Public Financing of Agriculture, seeks to address the challenges of low voice and participation of smallholder women farmers in agricultural policy making processes at local, state and national levels. It also focuses on issues of poor access and control over land and low spending on smallholder agriculture by the government at all levels and little support to smallholder women farmers.

# act:onaid

## WHO WE ARE

ActionAid is a global movement of people working together to further human rights for all and defeat poverty. We prioritise works with the poor and excluded, promoting values and commitment in civil society, institutions and governments with the aim of achieving structural changes to eradicate injustices and poverty in the world. ActionAid Nigeria is a member of ActionAid global federation. We maintain a strong relationship of interdependence and mutual accountability within the international federation while ensuring a strong balance between self-rule and shared-rule. Registered in Nigeria in 1999 as a Country Programme of ActionAid International, we have transformed into an autonomous national organisation with a strong national governance structure – a Board and a General Assembly – consisting of reputable Nigerians providing strategic oversight.



## WE FOCUS ON 10 KEY PROMISES:

- Securing women lands rights 01
- Promoting sustainable agriculture 02
- Holding government to account on public services 03
- Achieving redistributive resourcing for development 04
- Transforming education for boys and girls 05
- Harnessing youth leadership to end poverty and injustice 06
- Building people's resilience to conflict and disaster 07
- Responding to disasters through rights 08
- Increasing women and girls control over their bodies 09
- Generating women-centred economic alternatives 10



Central to our programmes is the full enjoyment by female and male citizens of their rights; reducing inequality; promoting gender responsive public services; and providing alternatives to the status quo in solving complex development challenges.

OUR PROGRAMMING AREAS ARE;



EDUCATION



FOOD & AGRICULTURE



HUMAN SECURITY IN CONFLICT & EMERGENCIES



HEALTH



JUST & DEMOCRATIC GOVERNANCE



WOMEN'S RIGHTS

Promoting the Right to Just and Democratic Governance and Women's Rights are cross-cutting themes which apply across the whole programme, but also have stand-alone initiatives.

Linking all these is our geographically based integrated Local Rights Programme which is being implemented in 12 states of the federation.

Our projects are currently spread across **36 States in Nigeria, including the FCT & over 250 communities**



& are benefiting millions of people.

From reflections and lessons of our programmes in Nigeria, we achieve good governance and accountable policies centred on the improvement of gender sensitive public services in Nigeria. Applying the Human Rights Based Approach, we centre our work on the active agency of citizens – male and female, young and old – thinking locally and acting globally. We build an awareness of rights, analyse and confront unequal and unjust power relations, advance women's rights, build partnerships, and are accountable and transparent. Our work is structured around the principles of empowerment, solidarity and campaigns.



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