

Trócaire

ISONNECC
Civil Society Network on
Climate Change
in solidarity for a climate resilient Malawi

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DIALOGUE MEETING ON THE NATIONAL DROUGHT INSURANCE POLICY

Golden Peacock Hotel, Lilongwe

Compiled by

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Civil Society Network on Climate Change

P O Box 1036

Lilongwe, MALAWI

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INTRODUCTION

CISONECC is an umbrella platform for coordinating civil society response to climate change in Malawi. It is working in climate change and Disaster Risk Management (DRM). CISONECC's main mission is to provide a platform of engagement between government and CSOs on climate change and related fields for improved adaptation and mitigation to climate change impacts. The network visualises on Building communities and ecosystems resilient to the impacts of climate change using the following objectives:

- The network is guided by a Strategic plan for which the strategic objectives are:
- Policy research and advocacy
- Capacity building and information management
- Fundraising and resource mobilization
- Networking, coordination and collaboration

In an effort to have policies, practices and budgets of governments at local, provincial and national levels that enhance the resilience of poor and vulnerable communities, CISONECC hopes to alter Government behaviour, practice and policies to respond to the identified needs of the communities, with women playing an active role in influencing decision making.

In line with the above, CISONECC planned a dialogue meeting with the Parliamentary committee on Natural Resources, Government and Civil Society organizations on the recently acquired national drought insurance policy. The meeting was based on the fact that the Malawi Government took an insurance Policy with Africa Risk Capacity (ARC) at MK2.9 Billion kwacha to address impacts of the drought among the affected populations in response to the effects of El Nino in Malawi and drought which are evident in most parts of the central and southern Malawi. This investment was a huge step towards the right direction as far as addressing the drought was concerned. However, CISONECC and other like-minded institutions learnt that Malawi may not access the anticipated insurance pay out estimated at US\$30 Million to cushion the country from the impacts of the drought.

The development questions government's integrity when securing investments for rural Malawians and the effectiveness and vested interests of market based solutions for climate challenges especially of poor and vulnerable countries like Malawi. In light of this, on 6th June, 2016 CISONECC released a press statement on the drought insurance policy that reflected its disappointment in how the government was not going to be able to access it.

For this reason the network held a dialogue on the 17th August, 2016 with the parliamentary committee members; the officials from the Department for Disaster Management Affairs (DoDMA); Department of Climate Change and Meteorological Services (DCCMS); Office of the Vice President and Commissioner for Disaster Management Affairs (OPC) and

representatives of CSOs in the resilience sectors on the calls of action that were made out to the public on the drought insurance policy and others issues related to the same. The dialogue was jointly organised with the Parliamentary Committee on Natural Resources and the environment. The dialogue sought to clarify CSO expectations on one hand and government plans and efforts on the other. The meeting proceedings were as follows:

OBJECTIVES

The objectives of the meeting were to:

- Engage in a dialogue to understand government intentions and efforts related to drought insurance and weather and climate risk management
- Engage in a dialogue to understand CSO perspectives and expectations on drought insurance and weather and climate related risks
- Map a clear way forward on management of weather and climate related risks in Malawi

OUTCOMES

The following were the expected outcomes of the meeting:

- Interactive discussion among all stakeholder present and a better understanding of drought insurance policy issues
- Government made aware of CSOs position on drought insurance policy issues
- Inputs of the meeting consolidated and used to write position paper

APPROACH

The meeting took the following approach

- Presentations and plenary
- Documentation

PROCEEDINGS

The session started with Opening remarks from the vice chairperson of the natural resources and environmental management committee. Honourable Alex Major made reference to climate change problems and the urgent need for a drought insurance. He then went on to explain how unfortunate that MPs only came to hear about the drought insurance in parliament when they had lost the claim. The members of parliament were very disappointed with this development and decided to take it further. He also went on to thank CISONTECC on the financial support which made the meeting a possibility. He also encouraged the forum to have an interactive meeting to open up and discuss issues and make recommendations and see the way forward for the drought insurance policy issue.

This was then followed by Department of disaster management (DoDMA) Principle secretary's remarks, Mr Botolo, who made emphasis on thinking outside box on issues of disasters. He added that the most important thing that suffers is the food security component

no matter what type of disaster comes. In his remarks he went further to state that the lack of inclusion of the ministry of agriculture during this meeting was a missed opportunity.

CISONECC National Coordinator, Julius Ng'oma thanked all those that were present and stated the objectives of the meeting, he made reference to the newspaper press statement which was issued by the network expressing its disappointment in the development as the background to the meeting.

The first prese

ntation was intended to have been "***understanding of macro and micro insurance weather sectors in Malawi***" however the Department of Climate Change and Meteorological Services (DCCMS) presentation was on "***the role of the department of climate change management in area risk capacity***". The presentation explained the model the insurance company uses, the model referred to Africa Risk View (ARV) which has three working technical working groups. The DCCMS features onto the climate change technical working group and mostly contribute rainfall data sets and water requirement satisfaction index. In this presentation they made some recommendations and these include:

- Using observations on the ground for climate change tracking rather than using international satellites which may miss on critical small scale changes
- Regionalising the model rather than having one that addresses variables at national level as this may be easier to monitor

This was then followed by a plenary of several questions. The chairperson of the parliamentary committee on the environment and natural questioned how the minister of finance wasn't aware of the technicalities and how the supporting departments such as DCCMS didn't know the contract between government and ARC had been signed. He then wanted clarification on the extent of the advisory role that was played by the department of DCCMS before a decision on the matter was taken.

Another Member of Parliament [m1] came in on the same and observed how the department of DCMMS had calibrated the model several times and expressed how worrisome this was. He questioned whether it was a good decision to go ahead with the insurance because it appeared to have been doomed to fail from the start because it seemed like from the start, the model was heading for a disaster.

Dr Ntupanyama, The Chief Director in the Ministry of Natural Resources Energy and Mining came in to answer some of the issues presented during the meeting. She started with making the members of parliament aware of the committees that were established to contribute different advisory roles on the drought insurance policy. However the government went on and signed without them anyway. She went on to add on how unfortunate it is that for the model, satellite imagery is being used. In a time where climate change is a problem the use of satellite imagery is not reliable. She went on to enlighten the forum that it is important to use observation on the ground because rainy seasons vary and using international satellite imagery makes this even more difficult. She further on went to add her disappointment in the

absence of some stakeholder such as ministry of agriculture and even ARC whom are the owners of Insurance. To rectify this, the chairperson then came in and said on the 5th September 2016 the committee meetings are starting so another meeting will be organised where all the missing parties will be present.

The members of parliament also wanted to know what the triggers of the pay-out were because it was very trivial. It was also pointed out that if the government had trust in the Malawi vulnerability assessment then they wouldn't go ahead to acquire an insurance policy. This question was answered in another presentation made by DoDMA.

The Principle Secretary of DoDMA made then made his presentation, he started with echoing his earlier statement as to how the ministry of agriculture and finance were still key to the meeting. Without these two ministries there wasn't a lot that could be understood in the forum. He then later on proceeded to explain that the insurance was a concept of the African union. The main objective of the insurance was to release money immediately in case of a drought. For this reason when there was no pay out this year it was a big issue. However, he went on to agree with the DCCMS that the model used to estimate rainfall should have been used at regional level rather than national. The insurance had an annual premium of 4.6 million USD. The country was expected to get a pay-out of 30 million USD as maximum in case of drought.

A member of parliament asked if the government is going to continue with the insurance subscriptions bearing in mind the glitches. The member observed that government can't continue spending money on such risks. The commissioner of disaster in response echoed his earlier sentiments by saying that the appropriate stakeholders who would have been in better position to answer aren't available in the forum.

Dr Ntupanyama went ahead and added on to say she recently called the ARC team for some consultations to understand more on the drought insurance policy flaws. The chief director asked the ARC team whether they thought the DCCMS was key stakeholder to the insurance policy. In response to this the ARC team mentioned that the department is important to the policy but is not key. She then went ahead and discussed with them that if the weather insurance is to go as planned then they must be effort and recognition in realising the trivial role the DCCMS plays in the policy. She even went a step further and asked the ARC if there were comfortable with their model and why they would have the same model for different countries in different regions. This clearly indicates the minimal coordination in government on this issue. She went on to say the department is in the process of writing a position paper on the role of DCCMS on the issue and this will be presented to their PS and Minister.

The CISONECC National Coordinator and the parliamentary vice chair came in and said they would have planned the meeting better however there was lack of information from government which made it a bit difficult to coordinate.

Oxfam, CISONECC member, then came in and asked about the missed opportunity on the regional demarcation for the model and how long it would take if this were to happen to establish them. The principle secretary from DoDMA the quoted one of the people from the

technical working group who said *“it is import at to know that even if all the district in the southern region were affixed by drought it wold only register as 1.3 million people on the model and still can to get a pay-out for the model”*

Another member of parliament observed that the model is always in favour of the owner and especially the Insurance Company because they are also out to make a profit. So even if a suggestion is made that warrant revision of the model, it shall forever be in the the insurance company’s favour. Therefore the question should be whether we have an exit strategy or not and if there are alternatives.

Honourable Shanil then went on to ask about the composition of the technical committee that provided the advice to Government on the drought insurance. She asked this so that it enables them to approach the right people in preparation for the next forum.

CLOSING REMARKS

The vice chairperson of the parliamentary committee on natural resources and environment made the closing remarks. In his remarks, the vice chairperson hoped that the next meeting will yield better results. He thanked the members of parliament and all the other guests for their participation. He also thanked the participants for the wonderful contributions during the meeting.

The CISONECC coordinator also made remarks on why CISONECC was interested on the issues, their role.....in his remarks he also shared the way forward to organise another dialogue session on the issue where all stakeholders, including Ministry of Finance and Ministry of Agriculture will be presented. He thanked the parliamentary committee, government department representatives, and CISONECC members for their presence and contributions. He was looking forward to the next meeting.

GENERAL OBSERVATIONS

The overall atmosphere was very participatory, there were a lot of contributions made from members of parliament, CSOs and government departments. However it should be noted that some of the crucial stakeholders were left out such as the Ministry of Agriculture and ministry of Finance. In this regard, another meeting was proposed to discuss the issue further in the presence of the missing key stakeholders. There is a need however to take up some of these recommendations such as the ones by the DCCMS and use them as a lobby tool to make the drought insurance more favourable if we are to continue to subscribe.

Annex 1: Programme

17TH August 2016, FACILITATOR: HEATHER MASEKO		
Time	Activity	Responsible Person
8:00-8:30	Registrations	CISONECC
8:30 – 8:35	Opening Prayer	TBC
8:35 – 8:45	Opening Remarks	Honorable Alex Major
8:45 – 9:00	Background and Objectives	Julius Ng'oma
9:00 – 9:30	Understanding Macro and Micro Insurance Weather Schemes in Malawi	Director DCCMS
9:30-10:00	Presentation of facts and information related to the ARC drought insurance scheme	PS Office of Vice President
10:00-10:30	Questions and clarifications	Facilitator
10.30 – 11:00	Health Break	
10:45 – 12:30	IN PLENARY Presentation of Civil Society position on Weather Insurance schemes	Facilitator (John Chipeta, NASFAM)
12:30 -13:30	Lunch	ALL
13:30 - 14:30	Presentation of reflections from Parliamentary committee on Natural Resources	Hon Alex Major, MP
14:30-15:00	Way forward	Facilitator
15:00-15:15	Closing Remarks,	Hon Werani Chilenga, MP
15:15-15:30	Closing prayer	TBD
15:30	Health Break and Departure	

List of Participants^[mk2]

Photos



The CISONNECC national coordinator (L), the vice chairperson of the parliamentary committee (C) and the principle secretary and commissioner of department of disaster management affairs(R)



CISONNECC members also participated in the dialogue meeting: Chikondi Chabvuta from action aid (C) and Violet Moyo from Trocaire(R)



The DCCMS representative making a presentation and members of parliament eagerly listening