

**SPEECH OF THE PRESIDENT OF THE AFRICAN INSURANCE ORGANISATION, Dr.
BEN KAJWANG, AT THE OPENING OF THE 49TH CONFERENCE AND ANNUAL
GENERAL ASSEMBLY OF THE AIO
FROM THE 27TH TO 31ST MAY 2023 IN ALGIERS, ALGERIA**

Your Excellency the Prime Minister of the People's Democratic Republic of Algeria,
Honourable Ministers and Members of Government,
Members of the Diplomatic Corps,
Executive Committee Members of the AIO,
Invited Guests,
Dear Delegates,
Ladies and Gentlemen,

On behalf of the Executive Committee and members of the AIO, I wish to heartily welcome you all to this 49th Conference and Annual General Assembly of the African Insurance Organisation.

The last time the members of this our great pan-African insurance fraternity gathered here in Algiers was in 2008 to discuss environmental risks and insurance solutions. By some twist of history, we have assembled here again fifteen years after to discuss something similar.

Permit me to express our profound gratitude to His Excellency the President of the People's Democratic Republic of Algeria, represented here today by the Prime Minister, for the support we have received towards the organisation of this event. Having 1800 registered delegates for an event of this magnitude at a time the world is barely recovering from the disastrous effects of covid-19 is a great indicator of how much effort the state has put in to support the very vibrant local insurance market to host this conference.

Allow me also to recognise in a very special way the Algerian Insurers and Reinsurers Association, UAR, and the Local Organizing Committee of this event for providing this enabling environment to the elite of Africa's insurance industry under the African Insurance Organisation to meet at this 49th Conference and chart a new way forward for insurance in Africa.

Your Excellency the Prime Minister,

Ladies and gentlemen,

It feels so good to be in Algeria. There are many good things we know about this country. Apart from being the largest African nation and hosting seven UNESCO Sites, the most striking one is that Algerians are extremely hospitable, and hospitality is a key factor in promoting inter African cooperation through insurance which is one of the missions of the AIO.

The focus of the 49th Conference of the AIO is **THE CONTRIBUTION OF INSURANCE TO FOOD SECURITY CHALLENGES IN AFRICA.**

According to AFDB (2020), Africa spent \$64.5 billion on importing food and may spend even more in subsequent and forthcoming years. This is unsustainable, irresponsible, and unaffordable. It is also completely unnecessary.

Africa has 65% of the world's remaining uncultivated arable land, an abundance of fresh water and about 300 days of sunshine each year. More than 60% of Africa's working population is engaged in agriculture, and the soil across most of the continent is rich and fertile.

Agriculture in Africa has a massive social and economic footprint. More than 60 percent of the population of Africa is smallholder farmers, and about 23 percent of Africa's GDP comes from agriculture. Yet, Africa's full agricultural potential remains untapped. In a recent analysis, it was determined that Africa could produce two to three times more cereals and grains, which would add 20 percent more cereals and grains to the current worldwide 2.6 billion tons of output. Similar increases may be seen in the production of horticultural crops and livestock.

Despite the economic importance of the agricultural sector to many African countries, the agricultural insurance market in Africa is to a large extent underdeveloped, with low penetration and a limited range of products.

Reason why most agricultural insurance premiums are generated in just a few African markets. Records today show that only 1% of Africa's small holder farmers are covered by insurance.

The global economic environment in general and Africa in particular is, still experiencing some dark moments with rising inflation, disruption in global supply chains, food insecurity, armed conflicts, to mention a few.

A World Bank report on Policy priorities for achieving food and nutrition security in Africa by 2030, published in January 2020 highlights three challenges facing food security.

First, there is what is referred to as Climate Shocks to Food Systems: Since 2019, extreme weather, conflict, and the COVID-19 pandemic have pushed nearly 50 million additional people into acute food insecurity across Africa. In addition, while climate-induced shocks to the food system used to occur one in every 12 years on average, they are now occurring about every 2.5 years. This is too frequent for countries, regions, or farms to sufficiently recover between the shocks.

Second, Global Price Shocks: These shocks are manifested in the volatility in commodity markets, increases in energy and fertilizer prices, trade disruptions, and the ongoing events unfolding in Ukraine. These shocks have led to steep increases in food prices throughout the region and increased food insecurity as families struggle to stretch their incomes.

Third, Undernourishment: Food security is not just about famine or acute hunger, it is also about longer-term undernourishment that leads to poor health outcomes. Across Eastern and Southern Africa for example, the share of undernourished people is increasing, from 21% in 2019 to over 25% in 2020, with serious consequences for the health and wellbeing of people in the region.

Your Excellency Prime Minister,

Ladies and Gentlemen,

Our industry has an important role to play in addressing food security in Africa and should be seen as an integral part of the agricultural system.

According to the 2023 Africa Insurance Pulse, Agricultural insurance, in particular, is a viable option for reducing agricultural production risks caused by weather events, pests and market price fluctuations, and is critical to improving food security in Africa by providing a safety net for farmers in the event of crop failure or disaster, reducing vulnerability to climate change, increasing investment in agriculture, improving access to credit and encouraging the adoption of new technologies and practices. In recent years, agricultural insurance has benefited from innovation in both products and processes.

We also wish to appeal to African governments to provide financial support for the development of agricultural insurance markets in emerging economies. In addition to premium subsidies, governments can support the sector by improving the accuracy of data on the sector, enhancing financial education or providing catastrophe reinsurance.

When I look at the quality of speakers selected by the AIO Secretariat and the LOC as well as the topics to be handled, I am very confident that at the end of this conference, we shall have concrete proposals to take back to our various markets on how insurance can best contribute to food security challenges in Africa. On this I wish to thank all our esteemed speakers for accepting to share their knowledge with us.

The success of this event has depended on a large scale on the support we have received from our sponsors. I'll like to mention here AFRICA RE, W-SAFE, CIAR, MADAR, CCR, SAA, WAICA RE, CASH, CNMA, CAAT, CAAR, CICA-RE, TAN RE, AZENTIO, MUNICH RE, ALLIANCE, CONTINENTAL RE, NEM INNSURANCE PLC, SANLAM, GAM, UIB, IMPRIASSUR, AXA, KENYA RE, TALA, MAPFRE, GALLAGHER RE, SALAMA, GN RE, NAMIB RE, ZEP RE, SCG RE, GIC RE.

AIO is grateful to your valuable support.

We wish to thank you all for supporting me during my tenure as President of the AIO.

The presidency will thus change at the end of this conference. May I seize this opportunity to express my profound gratitude to you, the AIO members for lending me and the Executive Committee your collaboration to run the affairs of the AIO very smoothly for the past one year.

We call on you to give the in-coming President your characteristic support to continue from where we have reached so far.

Dear Delegates,

Algeria is such a beautiful, friendly and secured country that we encourage you to make maximum use of these qualities and enjoy yourselves after the conference.

We wish you all very successful deliberations.

Thank you for your patience and kind attention.

Merci Beaucoup !

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