

5th International Microinsurance Conference

Keynote speech

Mr. Charles Dan

ILO Regional Director for Africa

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Monsieur Abdoulaye Diop, Ministre de l’Economie et des Finances,

Excellences,

Monsieur Thomas Loster, Président de la Fondation Munich Re,

Monsieur Craig Churchill, Président du Réseau de micro-assurance,

Monsieur François Murangira, Directeur du Bureau Sous-Régional de l’OIT à Dakar,

Chers promoteurs et leaders mondiaux de la micro-assurance,

Chers participants, chers amis,

Permettez-moi avant tout de saluer les autorités du Sénégal pour l’accueil si chaleureux, pour leur hospitalité si généreuse. Et, je voudrais tout particulièrement remercier le Ministre de l’Economie et des Finances de nous honorer de sa présence.

Merci Monsieur le Ministre de bien vouloir transmettre au Président de la République, Son Excellence Maître Abdoulaye Wade, dont nous connaissons le profond engagement politique en faveur d’une protection sociale pour tous, notre respect et notre considération.

Permettez-moi également de saluer les initiateurs de cette *grande* ambition qui nous rassemble ici aujourd’hui : promouvoir la micro-assurance comme outil de développement permettant aux pauvres et à leurs familles de disposer d’une protection contre les risques et les aléas de la vie.

Comme le rappelait notre Directeur général, Monsieur Juan Somavia dans son rapport intitulé: « *S'affranchir de la pauvreté par le travail* » - « Les pauvres font preuve d'énormes réserves de courage, d'ingéniosité, de persévérance et de solidarité pour survivre chaque jour avec l'équivalent de moins de deux dollars (...). À bien des égards, les travailleurs pauvres sont les ultimes entrepreneurs. »

Et la micro-assurance peut être le catalyseur économique et social pour les soutenir, les protéger et les accompagner pour sortir de la pauvreté par le travail.

Mais les défis demeurent nombreux pour accélérer l’expansion de la micro-assurance dans le monde et permettre à cet outil de réaliser son plein potentiel.

C'est pourquoi je tiens à féliciter la Fondation Munich Re et le Réseau de micro-assurance pour l'organisation de cette conférence annuelle internationale qui se tient, une fois de plus, en terre africaine. Merci pour votre engagement. Bravo pour votre détermination.

Protecting the Working Poor, Investing in the future

Mr. Minister,

Excellencies,

Dear Friends,

Millions of low-income families in the developing world live every day with the risk of losing what little they have. Unprotected, they are vulnerable to adverse events: drought, flood, accident, illness.

And in such situations, microinsurance protects the working poor and micro enterprises that are the real building block of development.

That is why we believe that promoting microinsurance is investing in the future. But that vision and that investment require sustained national and international efforts.

Microinsurance: A Pillar of the Decent Work Agenda – An engine for the Social Protection Floor

Yes indeed, our common goal is “to provide insurance to the working poor and low-income households”.

And for this reason microinsurance is a major pillar of the ILO's Decent Work agenda: promoting every day and everywhere employment, workers rights and social protection through social dialogue. That's what we stand for in the ILO today. And that's why we strive to promote microinsurance as a key strategy to achieve security, equity, dignity and social justice for the working poor.

Last April, the Chief Executive Board of the United Nations approved the establishment of a social protection floor as one of the key initiatives to cope with the global crisis. The ILO and WHO are the lead agencies designated to spearhead that movement supported by FAO, IMF, the World Bank, UNDP, UNESCO, UNFPA, UNICEF, UNHCR, UNAIDS, WFP, regional development banks, global funds, international NGOs as well as bilateral donors.

A global movement for a global ambition

And in this connection, the "Global Jobs Pact" adopted by our International Labour Conference last June to support the recovery efforts of countries, can be a powerful instrument.

Indeed, through this Global Jobs Pact, the ILO also calls on countries to build adequate social protection for all, drawing on a basic social protection floor, including:

- access to health care,
- income security for the elderly and persons with disabilities,
- child benefits and income security and,
- public employment guarantee schemes for the unemployed and working poor.

We believe that microinsurance is a key tool to contribute to the development of the social protection floor. Microinsurance can be a driving force to promote inclusion in the insurance markets. It can be a powerful mechanism to enable the working poor to efficiently manage their risks, particularly in a period of global crisis.

Unleashing the potential of Microinsurance – Protecting the working poor

The ILO's report to the G20 Pittsburg Summit last September reminded us that according to the United Nations, between 73 and 103 million people will remain in or fall into poverty because of the global crisis.

That is why this 5th conference is of particular importance in responding efficiently to the current financial and economic crisis.

Many countries, including in Africa are making great efforts to ensure basic social protection to all, and to extend health benefits to rural areas and in the informal economy.

But we still have a long way to go. Indeed there are still a number of important conditions that need to be put in place to enable civil society, cooperatives, microfinance institutions, and insurance companies to live up to their potential to extend sustainable protection to the working poor.

Let me highlight here today, four policy directions that I invite this Conference to consider in order to unlock the potential of microinsurance for poverty alleviation, growth and development.

- First, Insurance Penetration. The Insurance penetration in many developing countries is less than 4%; and in some Least Developed Countries, it is even below 1%.

In this connection, the *ILO's Microinsurance Innovation Facility*, set up with the support from the Bill and Melinda Gates Foundation, is striving to address the challenges faced by the insurance industry to enhance its penetration in developing countries through grants, capacity building and research. We need to foster the interaction with the private sector and non-governmental organizations to design and distribute products that provide real value to the working poor, to enable them

manage risks, reduce their vulnerability, and break the vicious cycle of poverty.

- Second, Regulation and supervision. Microinsurance aims to benefit a population group that is least knowledgeable about insurance. This means that regulation should make it possible for insurers to come up with simple products that can easily be understood by the poor. Implementation of viable microinsurance schemes would therefore require close collaboration between the regulatory authorities and the insurance industry in developing products, defining governance and setting service standards.

In this regard, I would like to congratulate the promoters of the recently launched *Access to Insurance Initiative*, which the ILO is proud to be a sponsor. Indeed, this initiative aims at developing regulatory framework that will enable the insurance industry in developing countries to provide affordable and meaningful microinsurance to low-income persons.

- Third, Access. Despite some progress, we need to acknowledge that too often; access to insurance has not been a high priority for policymakers. That's why we should never spare our efforts to advocate again and again for well designed government policies and programmes aiming at providing access to

microinsurance. We should never give up for more financial inclusion in the world.

- And fourth, Partnerships. Nobody can do it alone. Partnerships can play an important role in overcoming the barriers to the development of microinsurance, such as limited data availability, insufficient capacity, and lack of awareness at all levels. To help overcoming these constraints, microinsurance for the poor should also become a priority of development cooperation.

Bâtir la Confiance dans la Micro-assurance

Monsieur le Ministre,

Excellences,

Chers amis,

Ne nous voilons pas la face. L'une des grandes entraves au développement de la micro-assurance est la confiance. Et, en français, le terme confiance vient étymologiquement du mot « foi ».

Le rôle de cette conférence, notre rôle à tous est de bâtir cette confiance pour que les millions de personnes à faible revenu puissent mieux faire face aux risques exacerbés par la pauvreté.

Notre rôle à tous est de partager notre foi dans l'immense contribution que les pauvres peuvent apporter chaque jour au développement s'ils sont vraiment soutenus et accompagnés dans leurs efforts.

Notre rôle est de surmonter avec foi, avec confiance les défis pour soutenir le développement de services d'assurance à la base pour les travailleurs et les familles pauvres.

Pari impossible ? Non. Car j'ai foi et j'ai confiance dans notre capacité commune à réussir ensemble le pari de la micro-assurance comme instrument-clé d'éradication de la pauvreté, de développement durable et de travail décent pour tous.

Merci, merci infiniment pour votre attention.