



PROJECT BRIEF COLOMBIA



Historically, natural disaster events in Colombia have affected the agricultural sector, which contributes 6.1% of the GDP and 16.3% of the total employment. Low-income households living in rural areas cultivate crops for self-consumption and combine farming with other income generating activities. In situations of catastrophic weather events, their livelihood is at risk. The project partners will make use of the comprehensive data base namely “The System of Identification of Social Program Beneficiaries (SISBEN)” in order to identify and reach poor and vulnerable families directly. The system produces a household vulnerability index that is used to identify the beneficiaries of social assistance programmes by providing a proxy that serves as an indicator of households’ economic well-being. The project partners will develop an index-based insurance solution to complement social protection schemes as well as existing national insurance scheme.

PRODUCT CHARACTERISTICS



Target group
Subsistence farmers / rural poor and vulnerable households



Target region
Departments of Choco, La Guajira, Meta and Cundinamarca



Insured asset
Agricultural production, emergency relief payments



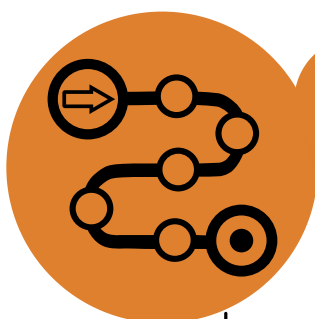
Insured peril / hazard
Lack of rainfall or extreme rainfall, flood



Insurance type
Macro-level approach
Development of new product



Own contribution
50% of total ISF project costs

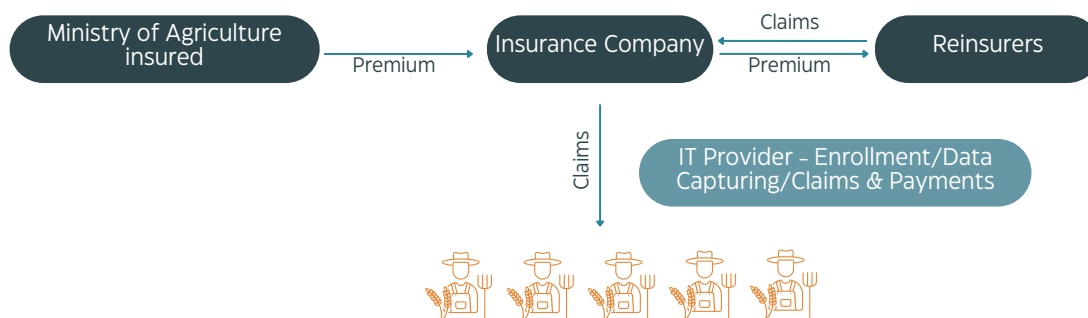


PRODUCT DEVELOPMENT ACTIVITIES SUPPORTED

- Identification of end-beneficiaries by using SISBEN (data base for social programmes).
- Product design, validation, calibration and pricing.
- Analyse meteorological data.
- Select insurance companies (procurement).
- Obtaining regulatory approval.
- Onboard municipal governments in target regions.
- Registration or enrollment of end-beneficiaries via mobile app (and interface to SISBEN) and IT Platform.
- Marketing measures and trainings to support enrollment process.
- Tutorials for insurance companies.

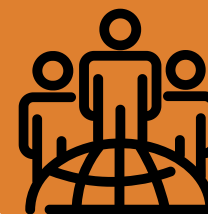


PROJECT SET UP



EXPECTED IMPACTS

- Increase the resilience of 540,000 people against drought and excess rainfall by project end.
- The proposed product covers drought and flood and has the potential to complement existing social programmes and crop specific / commercial insurance products.



PROJECT PARTNERS


DEMAND

- Ministry of Agriculture / Government / CO non signee

SUPPLY

- Guy Carpenter Colombia, Corredores de Reaseguros Ltda / Private Reinsurance Broker / CO
- Munich Re Service GmbH / Private Company / DE
- AXA Climate / Insurance Broker / FR
- Swiss Reinsurance Company Ltd / Private Reinsurance Company / CH
- Raincoat LLC / InsurTech / PR

EXPECTED BENEFICIARIES ¹

 **1,888,336 by 2025**
50% poor and vulnerable

IMPLEMENTATION PERIOD



GRANT AMOUNT

EUR 1,012,799