


# NORTH MACEDONIA AREA YIELD SHORTFALL GUARANTEE



The Project Partners aim to increase the climate resilience of farmers and poor families in rural areas in North Macedonia by developing an efficient and well-designed sovereign post disaster compensation programme. The national agriculture insurance macro scheme (mandatory agriculture insurance pooling system) will enable the Ministry of Agriculture, Forestry and Water Economy (MAFWE) to secure reliable funding for post-disaster support to farmers in order to compensate financial losses due to extreme weather events. The price signal of insurance will be used to raise awareness to adapt agricultural cultivation to climate change patterns.

	PRODUCT CHARACTERISTICS	
Target group	Farmers, farm holdings	
Target region	Countrywide	
Insured assets	Yield, agricultural revenue	
Insured peril/ hazard	Extreme weather events including drought, frost, windstorm, excess rainfall, high temperatures, flood	
Insurance type	Macro-scheme (sovereign) Development of sovereign insurance programme	
Own contribution	51 % (of total ISF project costs)	



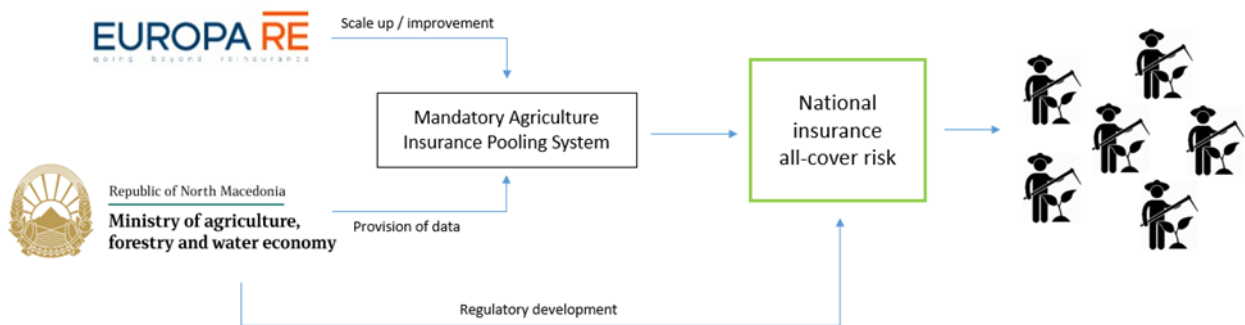
**PRODUCT DEVELOPMENT  
ACTIVITIES SUPPORTED**

Development of a Mandatory Agriculture Insurance Pooling System built on existing, satellite and other weather data enhanced with data from MAFWE.

- Risk modelling and data collection: set up of pricing, terms and conditions as well as loss assessment methodologies for all relevant systematic or covariate risks for an “all-risk” loss of yield policy
- Regulatory development
- Design of IT infrastructure
- Development of a sovereign agriculture programme
- Training and capacity building



**PROJECT SET-UP**






**PROJECT PARTNERS**

Demand Side

Supply Side

- Ministry of Agriculture, Forestry and Water Economy of the Republic of North Macedonia (MAFWE), North Macedonia / Government body
- Europa Re Limited, Switzerland / Reinsurance company

 <p><b>EXPECTED IMPACTS</b></p>	<ul style="list-style-type: none"> <li>• Increased resilience of affected farm households and vulnerable populations to natural disasters and severe weather events due to timely support and financial protection</li> <li>• Employment creation and poverty alleviation (securing of minimum livelihoods)</li> <li>• Improved management of weather risk in agriculture will cause a drop in migration into urban areas, and thus reduce degradation in rural areas</li> </ul>
 <p><b>EXPECTED BENEFICIARIES<sup>1</sup></b></p>	<p>813,000 by 2025 (100 % poor and vulnerable)</p>
 <p><b>IMPLEMENTATION PERIOD</b></p>	<p>08/11/2019 – 31/12/2023</p>

<sup>1</sup> Based on submission documents requiring use of IGP M&E Methodology.