

INDONESIA

CLIMATE INSURANCE FOR SMALLHOLDER FARMERS (CISFI)



In 2019, nearly 50 million people in most of Indonesia’s provinces were affected by the country’s long-running drought, with emergencies declared in several provinces. Agriculture employs about 38 million people, which is close to 30 % of Indonesia’s current total workforce. Yet the livelihood of the smallholder farmers (holding land area less than two (2) ha) is low compared to other sectors. Issues faced include the limited access to capital and agricultural technologies, the limited knowledge of good and proper agricultural practices, and the limited knowledge and access to farming risk management tools. The lack of or limited role of farmer institutions hinders the link of smallholder farmers to commodity supply chains and agricultural services.



PRODUCT CHARACTERISTICS

Target group	Smallholder farmers cultivating maize and rice
Target region	Gowa, Jeneponto, Bantaeng, Bone and Takalar (South Sulawesi); Karawang, Indramayu (West Java); Tulungagung (East Java)
Insured asset	Agricultural production costs and financial losses
Insured peril/ hazard	Drought / deficit of rainfall
Insurance type	Micro- and meso-scheme Development of new maize product and refinement of rice product
Own contribution (in %)	56 % (of total ISF project costs)



**PRODUCT DEVELOPMENT
ACTIVITIES SUPPORTED**

- Collect data on geographic location of farmers
- Refine / design products
- Conduct focus groups with farmers on past events
- Obtain regulatory approval
- Reinsurance agreement
- Set up distribution channels
- Conduct trainings
- Conduct satisfactory survey



PROJECT SET-UP






PROJECT PARTNERS

Demand Side

- PT Jiva Agriculture, Indonesia / Subsidiary of agriculture commodity company OLAM
- Yayasan Agri Sustineri Indonesia (YASI), Indonesia/ NGO

Supply Side

- PT Mandiri AXA General Insurance (MAGI), Indonesia / Insurance company
- AXA Emerging Customers, AXA S.A., France / Inclusive insurance center of expertise
- AXA Climate, France / AXA entity

 <p>EXPECTED IMPACTS</p>	<ul style="list-style-type: none"> • Enhanced resilience of rice and maize small-holder farmers • Provide complementary agricultural advisory services
 <p>EXPECTED BENEFICIARIES¹</p>	<p>500,000 by 2025 (100 % poor and vulnerable)</p>
 <p>IMPLEMENTATION PERIOD</p>	<p>17/10/2022 – 17/11/2024</p>

¹ Based on submission documents requiring use of IGP M&E Methodology.