


TOGO

FARMCOVER II – SCALING UP AGRICULTURAL INSURANCE IN TOGO



Togo is prone to river floods, water scarcity and extreme heat with increasingly negative effects on agriculture (the most important sector economically), which already faces low productivity due to the use of inadequate technologies, insufficient access to inputs (fertilisers and pesticides), lack of pest control, and major shortfalls in agricultural processing. There is demand for a target group-oriented insurance product to potentially increase the willingness of financial institutions to lend to small-scale farmers. The project therefore aims to 1) up-scale the existing drought index-based insurance product for soy, 2) develop new insurance products covering additional perils and crops, and 3) expand distribution.

 PRODUCT CHARACTERISTICS	
Target group	Smallholder farmers with fields ranging between one (1) and three (3) ha
Target region	Maritime, Plateaux, Central, Kara and Savanes
Insured asset	Agricultural production or input costs
Insured peril/ hazard	Drought and excessive rainfall
Insurance type	Micro-scheme Development of new and scale up of existing parametric insurance solutions
Own contribution	50 % (of total ISF project costs)



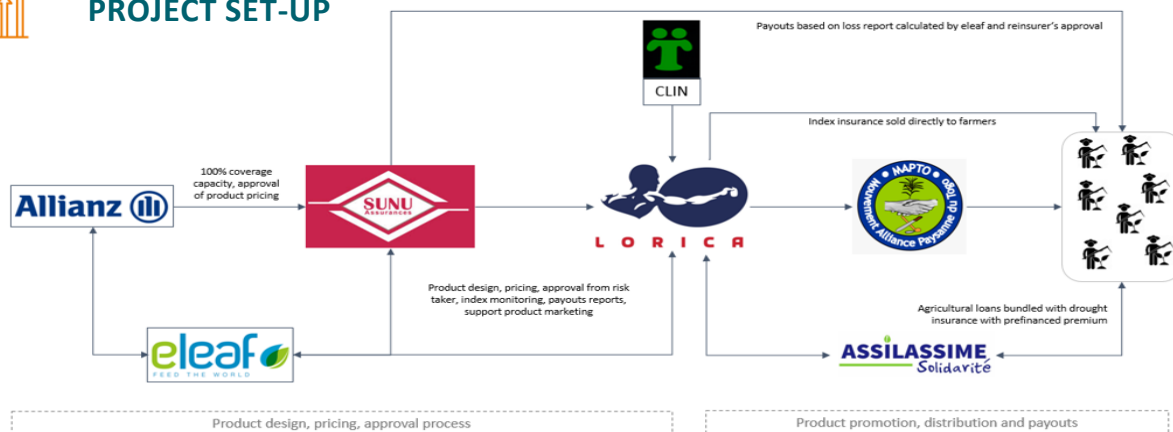
PRODUCT DEVELOPMENT ACTIVITIES SUPPORTED

Development of index-based insurance based on evaporation and rainfall data, stand-alone or bundled with agricultural input loan

- Develop new parametric insurance products against drought and excessive rainfall
- Upscale and enhance the existing parametric drought insurance product for soy (pilot) to cover excess rainfall (and floods indirectly)
- Technology development: Customised micro insurance software to fully administrate the product from customer enrolment to payouts processing
- Product distribution, training, awareness campaigns



PROJECT SET-UP






PROJECT PARTNERS

Demand Side

Supply Side

- Mouvement pour une Alliance Paysanne au Togo (MAPTO), Togo / Cooperative with 22,000 members
- Assilassimé Solidarité, Togo / Microfinance institution
- Federation Nationale des Cooperatives Productrices des Soja (FNCPS), Togo / Cooperative with > 12,000 members
- Lorica Conseil, Togo / Broker
- CLIN E-Agribusiness, Togo / Data and IT service provider
- SUNU Togo, Togo / Insurance company
- Allianz Re, Switzerland / Reinsurance company
- eLeaf, The Netherlands / InsurTech

 <p>EXPECTED IMPACTS</p>	<ul style="list-style-type: none"> • Farmers increase their productivity through investments (due to insurance linked to loans for agricultural inputs) • More farmers can purchase the insurance due to availability of pre-financing for premiums through loans • Increased financial literacy and awareness among smallholder farmers • Increase resilience of smallholder farmers
 <p>EXPECTED BENEFICIARIES¹</p>	<p>560,000 by 2025 (100 % poor and vulnerable)</p>
 <p>IMPLEMENTATION PERIOD</p>	<p>20/09/2021 – 20/10/2023</p>

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