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 asset**: 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.
Increased resilience of affected farm households and vulnerable populations to natural disasters and severe weather events due to timely support and financial protection.

Employment creation and poverty alleviation (securing of minimum livelihoods).

Improved management of weather risk in agriculture will cause a drop in migration into urban areas, and thus reduce degradation in rural areas.

**PROJECT PARTNERS**

**DEMAND**
- Ministry of Agriculture, Forestry and Water Economy of the Republic of North Macedonia (MAFWE) / Government Body / MK

**SUPPLY**
- Europa Re Ltd / Reinsurance Company / CH

**EXPECTED BENEFICIARIES**
- 813,000 by 2025
- 100% poor and vulnerable

**IMPLEMENTATION PERIOD**
- NOV 2019
- DEC 2023

**GRANT AMOUNT**
- EUR 313,000

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