



PROJECT BRIEF SOUTH AFRICA



Smallholder farmers in South Africa are heavily exposed to weather-related events like drought. Mid-2015 and early 2016, drought drastically reduced water supplies and agricultural production in the country. Maize and other crops did not grow, livestock was threatened to starve, thus farmers and their families were impacted not only by losing their income but also risking famine. Land Bank Insurance of South Africa and CelsiusPro join forces to develop and introduce crop and livestock insurance to smallholder farmers. Up to now, only commercial farmers have access to insurance covers, since insurance is not available for smallholder farmers. The distribution channel includes bundling of the drought insurance product with loan disbursements offered by the Land Bank and co-operatives such as Suidwes and Unigro. Drought insurance offers long term benefits including poverty alleviation, employment creation, increased resilience and stabilization of farming income.



Target group
Smallholder farmers



Target region
Nationwide, with the majority in Eastern Cape, Kwazulu-Natal, North West and Limpopo



Insured asset
Agricultural production / revenue



Insured peril / hazard
Drought

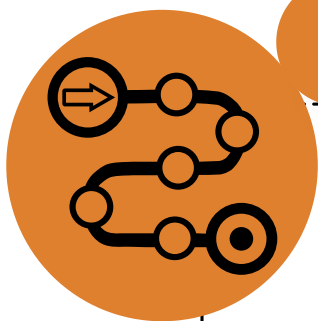


Insurance type
Micro- level insurance
Development of new insurance products
1x crop; 1x livestock



Own contribution
56% of total ISF project costs

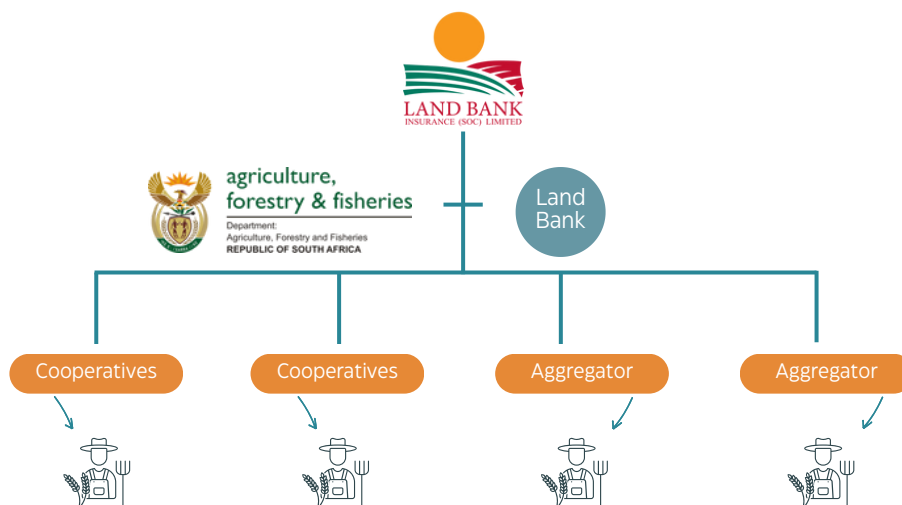
PRODUCT DEVELOPMENT ACTIVITIES SUPPORTED



- Setting up a digital insurance platform to originate and administer index-based insurance products.
- Integration of underwriting, pay-out calculation and premium collection functionalities within the Land Banks IT environment.
- Training- and marketing campaigns supporting product distribution.

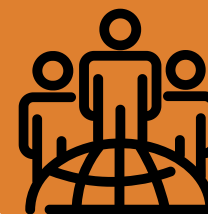


PROJECT SET UP



EXPECTED IMPACTS

- The project aims to directly contribute to the indicators supporting the outcome dimension by:
 - Establishing insurance protection for poor and vulnerable members of the population.
 - Developing a needs-based and financially sustainable insurance product.
 - Establishing and protecting a sustainable management structure.



PROJECT PARTNERS

DEMAND

- Land Bank Insurance Company Ltd / Local state-owned insurance company / ZA

SUPPLY

- Celsius Pro / Private Company / CH

EXPECTED BENEFICIARIES ¹

 280,000 by 2021

IMPLEMENTATION PERIOD



GRANT AMOUNT

EUR 383,840