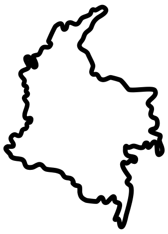
PROJECT BRIEF
COLOMBIA



InsuResilience Solutions Fund

Colombia is one of South America's most climate-vulnerable countries, experiencing a high recurrence of extreme weather events that threaten livelihoods nationwide. While all Colombians are impacted by climate change, rural populations are particularly at risk due to their dependence on agricultural activities and the concentration of poverty in these areas. The Project Partners will scale-up and improve an index-based multi-peril insurance solution designed to protect farmers against the financial impacts of climate-related events, while also fostering education and economic opportunities.

PRODUCT CHARACTERISTICS

Target group
Smallholder farmers cultivating rice, cassava, coffee, potato, maize, banana and others.

Target region
Nationwide

Insured asset
Financial losses

Insured peril / hazard
Drought, flood, extreme rainfall

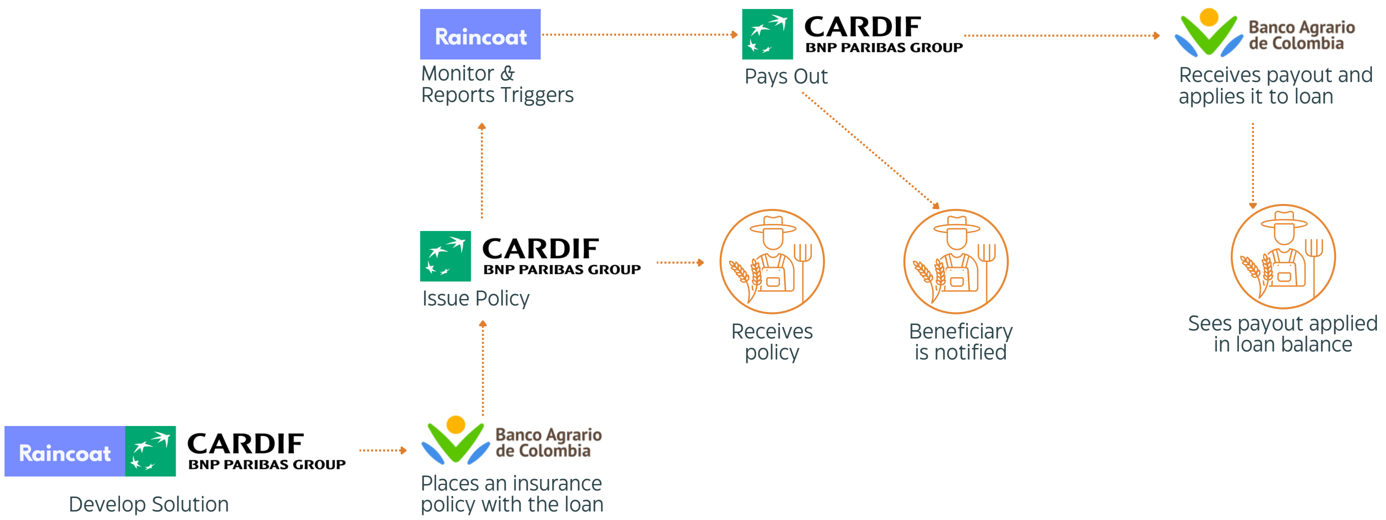
Insurance type
Micro-level approach
Scale up of existing insurance pilot

Own contribution
56.41% of total ISF project costs

PRODUCT DEVELOPMENT ACTIVITIES SUPPORTED

- Research and development of new datasets, models and index alternatives
- Evaluate introduction of new perils (e.g. wind, frost and hail)
- Improve field data collection
- Implement product enhancements (with additional granularity) adapted to the agricultural activities and phonologies' observed
- Development of educational portal including climate smart and risk management related information
- Development of marketing material and information tools for farmers
- Carrying-out a full diagnostic together with the partners and through field focus groups and gather loss data
- Carry out a robust back-test to reduce the basis risk
- Rollout and retention of the program across all bank branches

PROJECT SET UP



EXPECTED IMPACTS

The existing product currently offers drought, excess rainfall and flood coverage. The objective is to develop the second version of this product, with improved risk modelling and potentially including additional coverages, based on the lessons learnt during its first year of implementation.

PROJECT PARTNERS

DEMAND

- Banco Agrario de Colombia (BAC) / State-owned Agricultural Development Bank / CO

SUPPLY

- Raincoat / InsurTech / PR
- Cardif Colombia Seguros Generales / Insurance Company / CO
- Munich Re / Reinsurance Company / DE

EXPECTED BENEFICIARIES [1]

750,000 by 2026
50% poor and vulnerable

IMPLEMENTATION PERIOD

JAN 2025 – JAN 2027

GRANT AMOUNT

EUR 766,130

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