InsuResilience
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PROJECT BRIEF

ECUADOR

Agriculture is key to Ecuador's economy and food security, providing income for 17.9% of the country's economically active population and producing nearly 60% of the food in Ecuadorian families' basic food basket. However, the industry faces mounting challenges due to natural hazards, including floods, storms, and El Niño-induced extreme weather events. The Project Partners will develop the country's first parametric insurance solution for smallholder farmers. Although the Campo Seguro programme currently offers agricultural indemnity-based insurance to small, medium and large farmers, a large number of smallholder farmers are unable to enroll in this scheme. The new product aims to bridge this gap by providing direct, affordable insurance coverage to those at the base of the economic pyramid, ensuring that even the most vulnerable farmers have a safety net against climate-related risks.

PRODUCT CHARACTERISTICS

Target group
Smallholder farmers without access to credit or insurance and with field sizes smaller than 5 hectares

Target region
Nationwide

Insured asset
Financial losses, cost of agricultural production (rice, maize)

Insured peril / hazard
Drought / heat waves, extreme rainfall

Insurance type
Macro-level approach (national agri–insurance programme)
Development of new insurance product

Own contribution
50.1% of total ISF project costs

PRODUCT DEVELOPMENT ACTIVITIES SUPPORTED

- Development of index-based insurance product to be used by the MAG
- Product structuring, pricing, validation and back-testing
- Meet legal and regulatory needs
- Develop an operational model, including strategies for distributions and payouts
- Implement IT solution for policy administration
- Capacity building and trainings for all relevant stakeholders
- Execution of pilot to test operations

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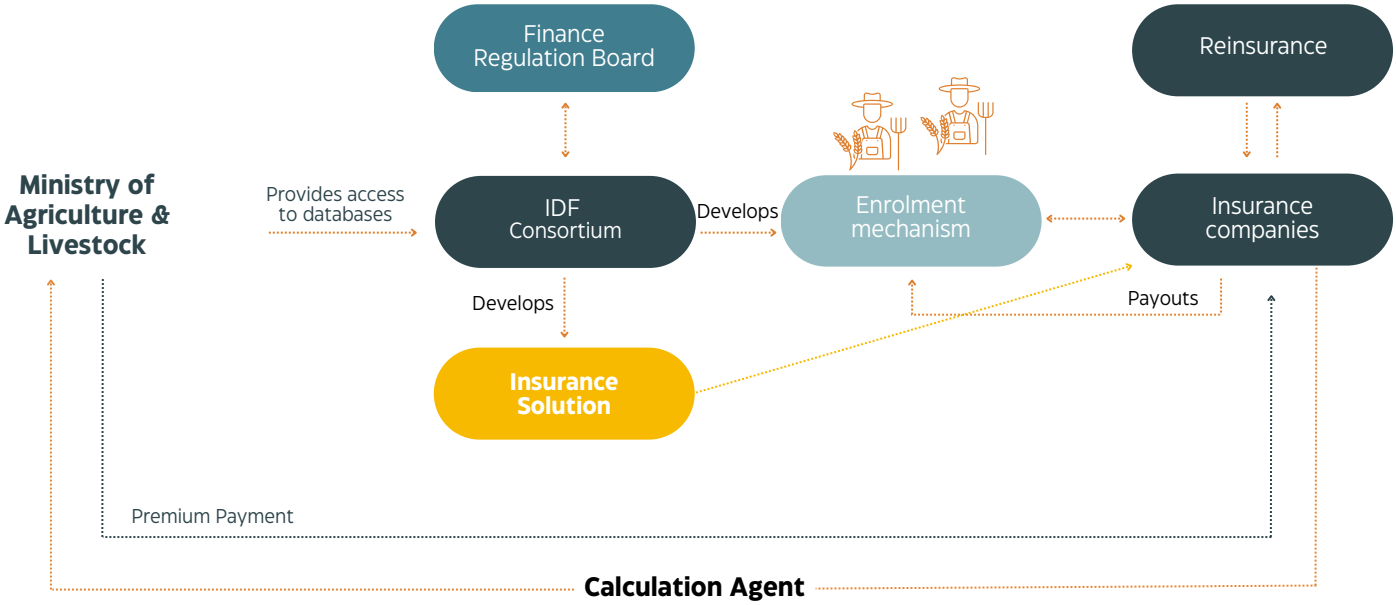
PROJECT SET UP



EXPECTED IMPACTS

Increase the resilience of smallholder farmers producing maize and rice against extreme weather events intensified by climate change (drought and excess rainfall), providing them with sovereign parametric insurance coverage and ensuring food security.

PROJECT PARTNERS

DEMAND

- Campo Seguro / National Programme under the Ministry of Agriculture and Livestock / EC

SUPPLY

- Guy Carpenter Mexico / Reinsurance broker / USA
- AXA Climate / Reinsurance company / FR
- Blue Marble Microinsurance / InsurTech / UK

EXPECTED BENEFICIARIES [1]

657,438 by 2028
100% vulnerable

IMPLEMENTATION PERIOD

FEB 2025 — FEB 2027

GRANT AMOUNT

EUR 974,850

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