



Bangladesh Micro-insurance Market Development Programme (BMMDP)

Swiss Portfolio Outcome:	Sustainable and more inclusive economic development
Implementation Period:	01.09.2017 – 30.06.2023
Implementing Partner:	Swisscontact Bangladesh
Swiss Contribution:	CHF 7.46 million
Modality:	Mandate

General Description

Farmers in Bangladesh face considerable challenges with extreme weather conditions such as droughts, excess rainfall and floods that results in loss of production. Besides their access to financial services is generally quite limited. As a result, it is observed that farmers sell their productive assets rather than invest in quality inputs required for effective farming. The BMMDP programme has been setup to address these challenges by developing a micro insurance market for smallholder farmers by partnering with insurance companies, microfinance institutes, commercial agro-input companies, farmers' hub and government departments so that the appropriate financial and non-financial (extension) services can expand as risk mitigation measures to the farmers. The nature of this programme is designed as a Public Private Partnership.

Objectives

The programme will contribute to the increased farmers' resilience to shocks, improved knowledge on the impact and benefit of microinsurance service and build their confidence to invest in higher quality inputs. BMMDP aims to reach at least 633,000 farmers with financial and non-financial risk mitigation services and trainings which will enable the farmers to improve their livelihoods through better productivity and resilience to natural disasters. 400'000 livestock farmers (50% women) is expected to benefit from this programme.

Lines of Action / Components

- Promoting risk mitigation measures by facilitation of insurance companies to partner with seed marketers.
- Supporting the microfinance institutions to develop micro-insurance products for various climatic risks in form of a loan.
- Designing literacy trainings for the farmers by the partner agencies on the micro-insurance product and benefits. At least 4'36'000 farmers will be covered under crop and livestock microinsurance trainings.
- Promoting risk-reducing services for livestock farmers by offering livestock farming oriented financial and extension services and cattle purchase loans to their borrowers.

Intended Impact in terms of Systemic Change

The programme is designed to work with multiple market actors to enhance risk mitigation mechanisms in the form of micro-insurance services provided to farmers, which would build their confidence to invest more in higher quality inputs and yield stable income and food security.

Intervention Targets

- By the end of June 2023, an estimated 233,000 farmers in Bangladesh will use crop insurance (under **Crop Surokkha**) covering 7578 acre of agricultural land.
- Also, by the end of June 2023, at least 200,000 cattle will be insured and around **200,000 livestock farmers** will receive risk mitigation services promoted by **Livestock Surokkha**.
- An additional 3,000 Small and Medium Enterprise farmers will be reached through the formal, commercial bank loan (livestock) system tied with microinsurance service.
- By end of June 2023, total value of insurance will be CHF 33,184,780 and an amount of CHF 28,397,385 financing will be triggered through BMMDP and its partners.
- Around 39,488 farmers will apply climate-friendly farm management practices.