



Bangladesh Micro-insurance Market Development Programme (BMMDP)

Swiss Portfolio Outcome:	Sustainable and more inclusive economic development
Implementation Period:	01.08.2023 – 31.07.2027
Implementing Partner:	Swisscontact Bangladesh
Swiss Contribution:	CHF 9.5 million
Modality:	Mandate

General Description

Bangladesh's economy heavily relies on agriculture, which contributes to 13.5% of GDP, and provides income source to over 87% rural people. Therefore, agriculture has a substantial impact on major national objectives such as poverty alleviation, generating income and food security. On the other hand, Bangladesh is the seventh most climate change-vulnerable country in the world and ranks fifth in terms of economic losses due to the climate change impact, resulting from higher frequencies of extreme weather events, such as floods, cyclones and hail storms. Therefore, the agriculture sector needs to mitigate climate impacts better. Micro-insurance is an effective tool for boosting this resilience. In Bangladesh, tailored microinsurance products can protect vulnerable farmers, while proper regulations can encourage a strong microinsurance market. Hence, the sector can be sustainably supported against climate challenges. BMMDP has completed a successful pilot phase (2017-2023) and this current phase is based on the lessons learned from the pilot.

Objectives

Through the programme, at least 200'000 farmers and enterprises will access microinsurance products and services that will help them to yield higher incomes, while having better resilience against losses that occurs due to extreme climatic events. This will improve their productivity and contribute to the sector's development and in turn food security of Bangladesh.

Lines of Action / Components

- Targeted to develop three microinsurance-relevant policies for implementation
- Development of climate-sensitive microinsurance products in crop, livestock and fisheries
- Enhanced capacitation of private and public support service institutions
- Improved knowledge on climate-resilient microinsurance through specific campaigns for farmers and service providers.

Intended Impact in terms of Systemic Change

The current phase aims to facilitate a better system for microinsurance policies in Bangladesh related to climate. This will enable in developing and offering microinsurance products and services that are efficient against extreme weather challenges and are useful for the whole industry. At the same time, mass campaigns will target farmers and enterprises, for them to learn about and subscribe to these products so that their business efficacy improves and they are better protected against potential losses.

Intervention Targets

- By the end of July 2027, around 200'000 farmers (30% women) will be earning net additional income of CHF 8 million through enhanced agricultural productivity and resilience to natural disasters.
- At least 3 new national policies or legal frameworks should be in place for a strong microinsurance market.
- Around CHF 2 million of private investment will create better products and services for businesses that need protection from climate-related risks.
- Due to the increased demand for such products, an additional 300,000 farmers (30% women) will buy insurance plans that are designed to help them cope with the effects of climate changes.