Insurance and Risk Finance Facility

Agriculture Insurance Demand and EoI Launching

Bridging the Gap Between the Agriculture Insurance Demand and Supply in Bangladesh

June 2026

Insurance and
Risk Finance
Facility

Setting the Context

Session 1 | Institutionalization of the Agriculture Insurance Agenda

June 2026

What we do

Insurance and Risk Finance Facility

Working with the **insurance industry** and **governments** to deliver the financial protection needed right now, and the long-term financial resilience and management of risks to

- Protect investments
- Sustain investments
- Attract investments

for

- Countries and communities
- Businesses and households
- Nature
- **Food systems**

Financial Resilience in Agriculture (FRA) Initiative

Building the financial resilience and capacity of smallholder farmers to adapt to rising climate risks, in partnership with the Gates Foundation.

- Facilitate the adoption and expansion of sovereign agricultural insurance programmes for smallholder farmers
- Supporting governments with building the long-term conditions for risk transfer solutions to scale
- Facilitate innovative PPPs among market players to deliver integrated risk financing and agricultural insurance solutions

5 Countries progressing from pilots to institutionalized government-led agricultural insurance systems

29 Countries participating in peer-to-peer learning for governments designing or implementing national agricultural insurance agendas.

Why it matters

Smallholder farmers produce half the world's food, yet they remain highly vulnerable to climate shocks and financial risks.

- Climate disasters have caused **$3.8 trillion in agricultural losses** in the last 30 years.
- **80% of smallholder farmers** lack access to formal insurance, rising to **97% in sub-Saharan Africa**.
- **Less than 1% of climate finance** supports agrifood system resilience.
- Governments face **growing fiscal risks and economic instability** due to uninsured agricultural losses.

FRA Theory of Change

Impact

Enhanced financial resilience and adaptation capacities of smallholder farmers to manage climatic risks

Strategic Objective

Leverage the role of agricultural insurance as an enabler for development outcomes

Outcome Areas

Well-functioning inclusive agricultural insurance markets

Government defines its role within the market and institutionalizes the agricultural insurance agenda

Market players build business models to serve smallholder farmers and build the case of the role of agricultural insurance

Local technical institutions develop in-country market supporting services for government and market players

Building the Ecosystem Approach

Institutionalization process moving from pilots to large-scale national programmes through Public and Private Partnerships

Government

Vision, institutional ‘’home’’, financing support
Set the rules of the game: policies/regulation

- Agriculture/Climate Finance and Insurance National Programme
- Risk-sharing arrangements with insurance industry
- Provide financing support: Credit + premium subsidies schemes

Insurance Industry

Deliver insurance solutions, building consortium and scaling innovation to underwrite risk through:

- Local insurance companies and risk pooling
- National/International reinsurance companies
- International Specialized Intermediaries- Pula Advisors

Agricultural Value chain

Developing business case for Embedded Models to drive uptake

- Finance and insurance Embedded Models
- MoA policy solutions on integrated model Govt Programs

FRA Country Intervention - Model 1

Anchoring the Agricultural Insurance Agenda within Government Structures

Agricultural Insurance Agenda
Four Strategic Pillars:

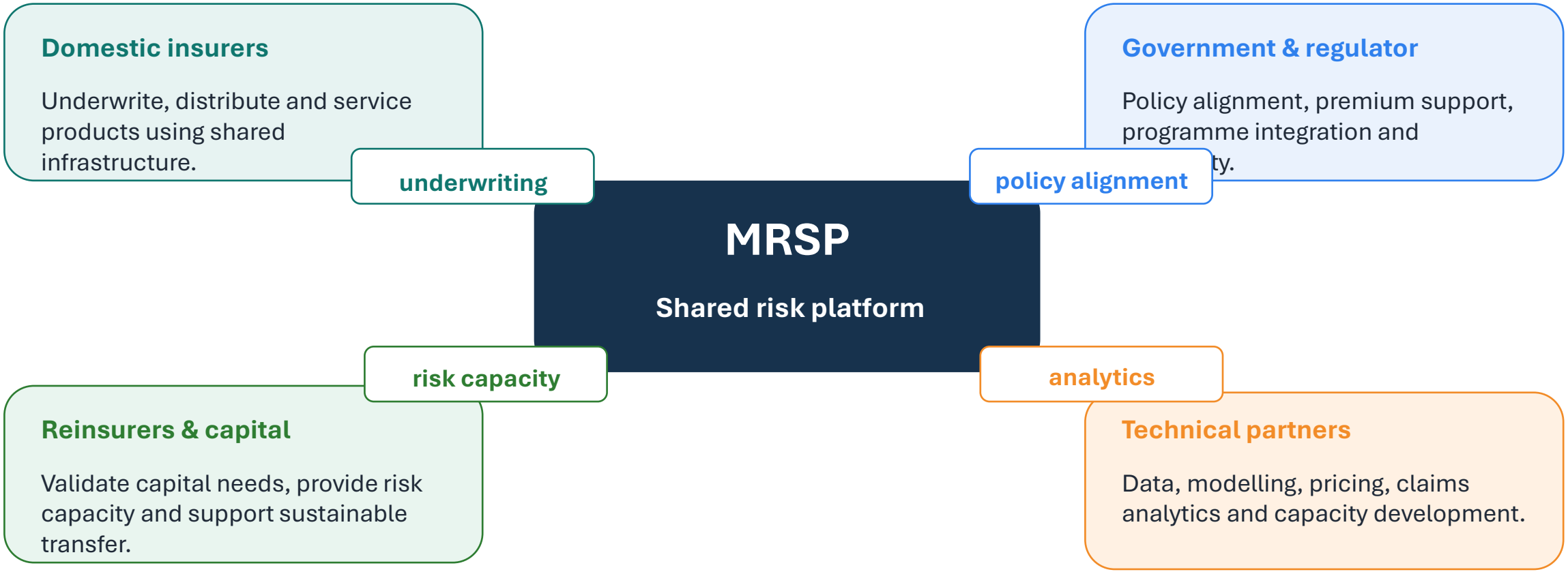
Purpose & Approach:

This model focuses on the establishment or strengthening of a national institutional arrangement (departments, units, technical committees, etc.) that hosts and oversees the agricultural insurance agenda and coordination mechanisms at the government level, ensuring sustainability, and enabling the transition from pilots to scale

Government's Three Roles:

- Strategic Leadership (WHAT): Setting vision, appointing institution, coordinating stakeholders
- Institutionalisation (HOW): Empowering institutions, developing processes, creating incentives
- Fostering Collaboration (WHO): Facilitating public-private partnerships

MRSP: an industry-led platform for coordinated agricultural risk financing



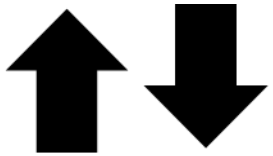
Purpose: transform isolated underwriting approaches into a coordinated platform for scalable agricultural insurance.

FRA Implementation Strategy

Country Implementation

- Enabling Environment
- Market Foundations
- Service Delivery Innovation

Global learning ***empowers*** in-country implementation



Country experience ***fuels*** global learning and ***inspires*** change

- Anchoring Model
- Data Model
- Public Sector Demand Model
- Financial Institution Demand Model
- Value Chain Demand Model
- Underwriting Model

Facilitation Model

Global Platform Model

- Research & Evidence
- Strategic Partnerships
- Convenings & Events
- Community of Practice
- Digital Strategy

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Building Bangladesh's Agriculture Insurance Market

Session 2 | Landscape Study Findings: Market Challenges and Emerging Opportunities

June 2026

BANGLADESH COUNTRY CONTEXT

Agriculture anchors the economy but sits on the front line of climate risk

11.6%
of national GDP

45.6%
of the labour force

~85%
of producers are smallholders

10x
increase in climate losses (2009-14 → 2015-20)

Key climate risks

Flooding and waterlogging
Destroy crops, delay harvest, cut market access

Cyclones and storm surges
Damage crops, fisheries, livestock, infrastructure

Saline intrusion
Lowers productivity in coastal areas

Drought and heat stress
Raise costs and cut yields in the north-west

LANDSCAPE STUDY

Aligning around a shared vision for agricultural insurance

A shared vision

The Positioning Paper invites development partners to align around a common vision: moving Bangladesh from fragmented pilots toward an institutionalized agricultural insurance market.

The FRA Theory of Change

Agricultural insurance as an enabler of wider development outcomes, protecting farmer incomes, unlocking credit and investment, and strengthening resilience to climate shocks across the rural economy.

A Landscape Study was conducted by KMD (January-August 2025) under the UNDP FRA initiative in Bangladesh (more details in Annex 1).

The 3 FRA building blocks

Enabling Environment

Policy, regulation, and financing of the system

Business Development

Commercial models linking demand and supply

Market Foundations

Data, actuarial skills, and local capacity

UNDP's Financial Resilience in Agriculture (FRA) initiative is also being implemented in Ethiopia, India, Tanzania, and Uganda, with 33 countries in the FRA Global Platform.

THE BUILDING BLOCKS

A market systems approach, not just an insurance product

FRA treats the agricultural insurance market as part of a wider risk management system — one that includes market actors, public institutions, regulators, and development partners.

01

Enabling Environment

FOCUS

Rules, institutions, policies, and coordination mechanisms

ACTORS

System actors: governments, regulators, development partners

EXPECTED OUTCOME

Government defines its role and institutionalizes the insurance agenda.

02

Business Development

FOCUS

Integrated, commercially sustainable business models

ACTORS

Market actors: insurers, financial institutions, agribusiness, farmers

EXPECTED OUTCOME

Market actors develop scalable models with value for demand and supply.

03

Market Foundations

FOCUS

Data, actuarial skills, and monitoring systems

ACTORS

Local technical providers and service institutions

EXPECTED OUTCOME

Local institutions sustain durable, self-sufficient market services.

01

BUILDING BLOCK

Enabling Environment

Key message: *There is emerging interest from the Ministry of Agriculture to lead on the agricultural insurance agenda at the national level, supported by line-ministries that seek to generate evidence on the impact of government-led pilot projects backed by favorable national policies. However, the lack of a national institutional home for agricultural insurance within government infrastructure remains a key challenge.*

- Policy
- Regulation
- Programmes
- Financing

ENABLING ENVIRONMENT

Policy & Programmes

Policy

CHALLENGE

- Insurance is recognised across many sectoral policies (Disaster Risk Financing Strategy, NAP, livestock, aquaculture, financial inclusion) but recognition is uneven and fragmented
- Not yet institutionalised as a national agenda; absent from the NDCs and the National Agriculture Policy

OPPORTUNITY

A common framework that positions agricultural insurance as a cross-cutting enabler across finance, climate adaptation and disaster resilience.

Programmes

CHALLENGE

- A decade of pilots (ADB, Syngenta Foundation, Swisscontact, WFP, BRAC reaching ~1 million farmers) built real implementation experience but did not scale
- Government leadership stayed limited; technical knowledge and institutional memory sit with donors and insurers

OPPORTUNITY

Consolidate lessons and build government stewardship to leverage the substantial investment already made.

ENABLING ENVIRONMENT

Regulation & Financing

Regulation

CHALLENGE

- Mandates are fragmented across IDRA, the Microcredit Regulatory Authority and Bangladesh Bank, with no shared coordination mechanism
- No dedicated agricultural insurance framework; tax treatment (VAT and TDS) and MFI self-insurance exemptions create an uneven playing field

OPPORTUNITY

Harmonise mandates and build on the 2023 bancassurance framework to embed insurance into formal lending channels.

Financing

CHALLENGE

- Significant public resources flow to agriculture (about BDT 170 billion / USD 1.4 billion in FY2024-25), yet there is no dedicated premium support, public investment vehicle or risk-sharing mechanism for insurance; pilots depend on donor subsidies

OPPORTUNITY

Redirect a portion of existing spend toward public goods, data infrastructure and risk-sharing facilities.

02

BUILDING BLOCK

Business Development

Demand

Supply

Key message: *Bangladesh has large agricultural finance, value chain, and public programme networks that could support agricultural insurance at scale. However, insurance remains largely disconnected from these systems. The main challenge is not demand, but the lack of viable business models, distribution partnerships, and risk-sharing mechanisms needed to scale sustainable agricultural insurance.*

BUSINESS DEVELOPMENT

Demand: large delivery channels, little insurance

Agricultural finance

~BDT 168,000 crore

annual agri-credit (USD 13.8bn)

- Microfinance carries ~78 percent (USD 10.4bn), serving ~20 million rural clients
- Over 90 percent flows through institutional channels
- Insurance is largely absent from lending

Value chains

10-15 percent

of input credit lost to climate shocks

- Input dealers, processors and exporters carry real climate exposure
- Extensive commercial relationships with millions of farmers
- Insurance is largely absent from transactions

Public programmes

42,500+

beneficiaries in 2,300+ cooperatives (LGD – LoGIC)

- Registries, cooperatives and extension reach millions of households
- Established delivery infrastructure to aggregate demand
- Insurance is rarely incorporated

Opportunity: embed insurance directly into existing delivery systems to unlock scale, cut transaction costs and create clear value for farmers and institutions.

BUSINESS DEVELOPMENT

Supply: capacity exists, commercial incentives do not

46

non-life insurance companies regulated by IDRA

Only a handful have engaged in agricultural insurance (Green Delta, Pragati, Pioneer, Sena Kalyan and Sadharan Bima Corporation) mostly through donor-supported projects.

Why participation stays low

- Pilots proved technical feasibility but not commercial sustainability
- Agri-insurance is seen as high-risk: correlated climate losses, limited historical data
- High customer acquisition and servicing costs across fragmented smallholder markets
- No scalable distribution; most insurers prioritise motor, property and marine lines
- **The constraint is not products, but business models that link insurers to existing distribution channels**

BUSINESS DEVELOPMENT

Supply: risk-sharing and reinsurance, a precondition for scale

The constraint

- Agricultural portfolios face highly correlated climate losses, so reinsurance is a prerequisite for sustainable participation
- No dedicated agricultural insurance pool, co-insurance facility or coordinated risk-sharing framework
- Insurers remain over-exposed to covariate risk with no portfolio diversification

Sadharan Bima Corporation (SBC)

- Participated in pilots but high loss ratios led to cautious engagement
- Mandate unclear — acts largely as a direct insurer rather than a dedicated reinsurer
- The 50 percent cession rule is not actively applied to agriculture

The opportunity

- Strengthen SBC's role as a strategic agricultural risk-transfer partner
- Establish national risk pooling and layering, drawing on the Philippines and Indonesia models.
- Improve data and transparency to attract international reinsurers

03

BUILDING BLOCK

Market Foundations

Key message: *Bangladesh has a substantial base of climate, agricultural, and remote-sensing data generated by public institutions. However, fragmented climate and agricultural data systems combined with gaps in actuarial and risk modelling expertise and underdeveloped knowledge and learning systems, constrain the development and scaling of agricultural insurance.*

- Data systems
- Actuarial capacity
- Knowledge & learning

MARKET FOUNDATIONS

Data systems: a strong base, fragmented use

174

Automatic Weather Stations nationwide

Strong institutional base — BMD, SPARRSO, BRRI, BARI, DAE, BBS, IWM and RIMES — but monitoring is sparse and historical records are thin for robust modelling.

Where data falls short

- Datasets are managed independently, not interoperable or shared through common platforms
- Yield data is manual, not yet digitised or geo-referenced — so insurers default to Weather Index Insurance
- Loss data is particularly underdeveloped, limiting product calibration and claims validation
- Access is constrained — historical BMD data must be purchased at high cost
- **Opportunity: expand the AWS network, digitise crop-cutting, and open interoperable data platforms**

MARKET FOUNDATIONS

Actuarial capacity & knowledge systems

Actuarial & risk modelling

CHALLENGE

- Agriculture is a non-tariff line, so IDRA's Central Rating Committee does not price it — a regulatory vacuum for index-based products
- Risk pricing and catastrophe modelling depend heavily on external partners and reinsurers
- Few qualified third-party administrators or field surveyors for agricultural claims

OPPORTUNITY

Build in-country actuarial and modelling capacity and activate support for non-tariff lines.

Knowledge & learning

CHALLENGE

- Awareness-raising has reached mostly direct project participants, not the wider sector
- Many agri-businesses remain uninformed about how insurance protects supply chains and revenue
- The Bangladesh Insurance Academy has limited agri-insurance and microinsurance offerings

OPPORTUNITY

Strengthen sector-wide awareness and embed agricultural insurance into national training institutions.

BRINGING IT TOGETHER

Bangladesh has demand evidence, a decade of technical experience, delivery channels reaching millions and a strong data base. **What is missing are the systems that connect them.**

OPPORTUNITY

Enabling Environment

A coordinated, government-led national agricultural insurance agenda across the four pillars.

OPPORTUNITY

Business Development

Insurance embedded into finance, value chains and public programmes, underpinned by risk-sharing.

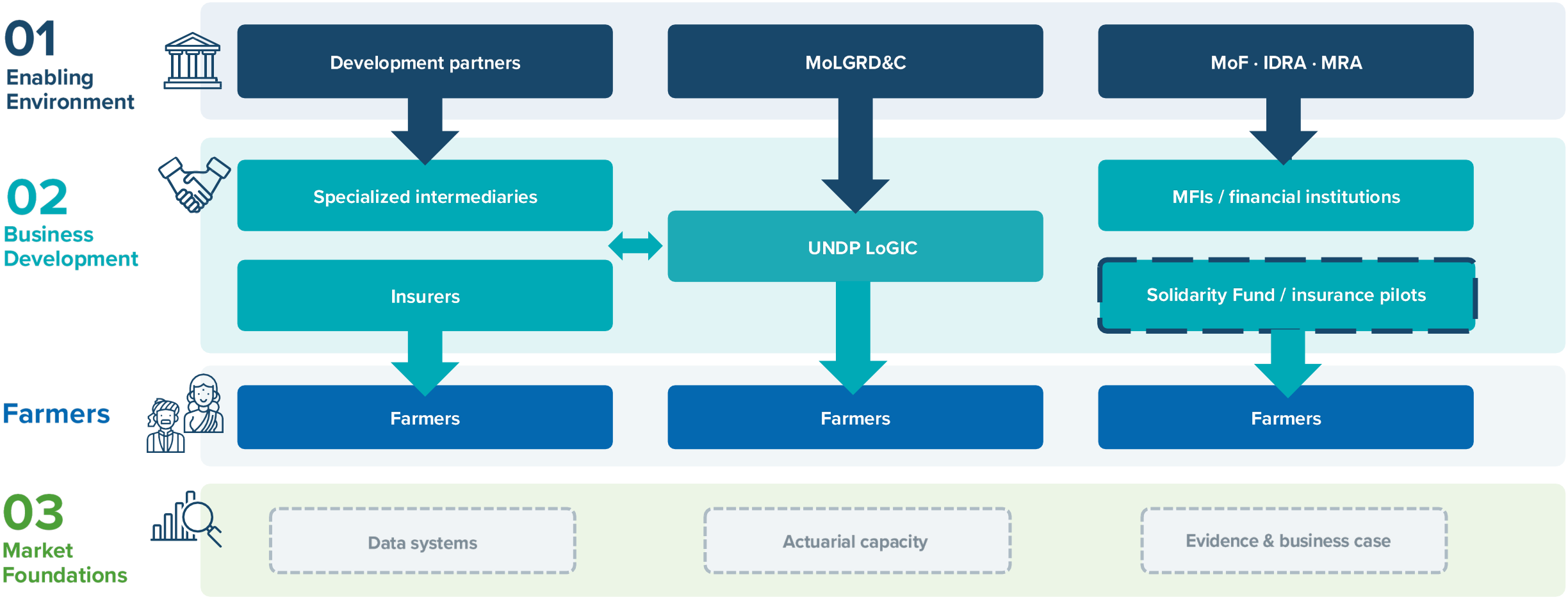
OPPORTUNITY

Market Foundations

Interoperable data and in-country technical capacity that reduce dependency and build trust.

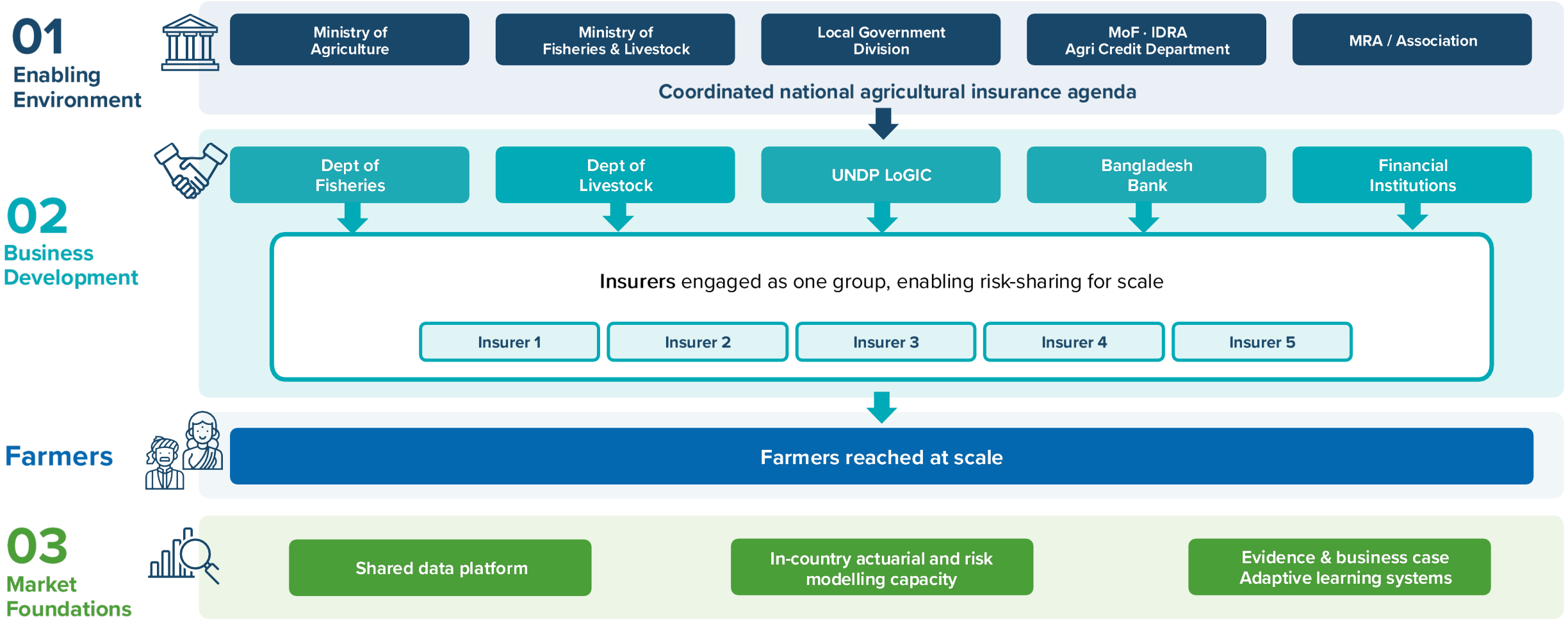
Bangladesh: the current market situation

Separate, donor-driven channels - insurance reaches farmers only through isolated pilots and supporting foundations remain weak



Bangladesh: where the market should move

Integrated systems - programmes bring demand to the insurance industry as a group, reaching farmers at scale



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Introduction to the Hackathon Framework

Session 3 | Guiding the Process of Co-Development, Institutionalization, and Market Building

June 2026

The Shortcomings of Agriculture Insurance in Bangladesh

Weak Demand

Low farmer awareness and trust; no institutional champion to drive uptake on the demand side

Poor Data

Insufficient loss data and absence of climate-indexed systems make actuarial pricing unreliable

Improper Distribution

Insurers lack last-mile access to smallholder farmers, especially in fisheries and livestock

Regulatory Gap

No solid framework from regulators to ensure proper supervision of agriculture insurance

Lack of Sustainability

Pilots end when donor funding ends; no pathway to market-led or government-backed continuity

Misaligned Incentives

Mismatch between insurer profitability targets and the affordability constraints of smallholders.

What is the Hackathon Framework?

A series of workshops to asses sectoral challenges and co-develops solutions — bringing together insurers, government agencies, and technical partners to design market-ready agricultural insurance products.

01

Co-Development

Demand-side narrative, supply side process, product development and policy alignment led by DoF, DLS, LGD, with UNDP, technical partners and insurers

02

Institutionalization

Co-development of the insurance product with leadership from DoF, DLS, and LGD leading to institutionalization through alignment with govt priorities

03

Market Building

Institutionalization of insurance into govt priorities resulting a sustainable and inclusive insurance market

The 5 Step Hackathon Framework

A 5-step process to co-develop inclusive and sustainable agriculture insurance products

Data

Design and Distribution

Delivery and MEAL

Step 1	Demand Preparation & Market Opportunity Packaging
Step 2	Hackathon 1: Demand and Market Opportunity
Step 3	Expression of Interest (EoI) Launch
Step 4	Hackathon 2: Co-Developing the Value Chain
Step 5	Hackathon 3: Post-Protype and Realignment
12-month Pilot Launch	

The Hackathon Workshop Process

Three sequential workshops guide participants from demand analysis through product design to contract award and co-development launch.

01

Workshop 1

Demand and Market Opportunity

- Present and validate demand data from DoF, DLS, and LGD to be used for insurance development
- Assess feasibility of insurance in priority crop, livestock, aquaculture, mariculture and marine assets sectors
- Understand WTP, distribution challenges, and possible govt support
- Develop insurance packages to be offered to insurers

02

Workshop 2

Co-Developing the Value Chain

- Data, Design, Distribution, Delivery, and MEAL by insurers and consortia on the insurance packages from workshop 1
- Value chain designed with support from UNDP and technical partners
- Validation by DoF, DLS, and LGD and alignment with govt priorities
- Pitching of final prototypes and selection of consortia

03

Workshop 3

Post-Protype and Realignment

- DoF, DLS, LGD, UNDP, technical partners, and consortia converge to revaluate the prototypes
- Validate prototype results and outcomes
- Make necessary changes according to prototype results
- Initiate 12-month pilot launch

Completion of Workshop 1

Dera Resort, Manikganj

20th to 24th June, 2026

DoF · DLS · LGD · UNDP · Innovision · WRMS

Outputs:

- Shared understanding of agriculture insurance and the role of government agencies
- Validated data on production, losses, extreme climate events for crop, livestock, fisheries, and marine assets
- Completed Demand Signal Tool and understanding of potential of agriculture insurance readiness in Bangladesh
- Insurer ready packages

Insurance and Risk Finance Facility

Introduction to the Demand Signal Tool and Opportunity Package

Session 4 | Building the Demand Narrative for Supply Side Players

June 2026

What Is a Demand Signal?

Purpose, position in the overall framework, and what it produces

A demand signal is structured evidence that helps insurers understand whether an opportunity is ready for engagement and co-creation

What we have

Data systems · field networks · institutional assets

What evidence exists

Pre-collected field data, yearbook, BMD records

What gaps remain

Partla loss records · delivery system formalisation · ecosystem partnerships development

How insurers view the opportunity

Viable risk pool · reliable data · cost-effective delivery · sustainable commercial model

How the Tool Works - Five Capability Areas

Each capability assesses a different dimension of MoFL's insurance market readiness

1 

UNDERSTAND

Risk & Protection Need Understanding

— Can MoFL/LoGIC articulate risks, exposures, and protection needs in terms insurers can use?

2 

ORGANISE

Aggregation & Delivery Readiness

— Can fishers and livestock farmers be efficiently reached and enrolled through field networks, cooperatives/ MFI channels?

3 

EVIDENCE

Data & Evidence Availability

— Is sufficient evidence available to support insurer dialogue?

4 

ENGAGE

Ecosystem & Insurer Engagement Readiness

— Does the opportunity demonstrate the commercial and institutional conditions that would attract an insurer to co-develop a solution?

5 

SUSTAIN

Scalability & Long-Term Potential

— Can insurance scale sustainably, aligned with government priorities?

Each capability is assessed through 6 guided questions -> scores aggregate to readiness signals for demand brief.

How Capability Signals Inform Decisions

Four decision areas with strong/weak guidance

Decision area	Capability drivers	Strong → lead with this	Weak → propose as co-development
Data	**UNDERSTAND +EVIDENCE**	✅ Lead **with** the data and evidence base itself, citing it as a credibility anchor	⚠️ Propose joint evidence-gathering or shared data infrastructure
Design	**UNDERSTAND +ENGAGE**	✅ Lead with the design approach, showing it's grounded in real user understanding	⚠️ Propose co-designing with users or partners to close the understanding gap
Distribution	**ORGANISE +ENGAGE**	✅ Lead with existing channels and partnerships already in place	⚠️ Propose co-developing distribution channels with a partner who has reach
Scale	**ORGANISE +SUSTAIN**	✅ Lead with operational track record and sustainability of current scale	⚠️ Propose co-developing the operating model needed to sustain growth

● **This framework structures demand brief development which strengths lead the narrative, gaps become co-development invitations.**

Value Chains

Demand is real, but market activation needs an explicit policy and operational decision

OPPORTUNITY

5 value chains

Crop, livestock, aquaculture, mariculture and marine assets

REACH

Large pools

From 35k crop farmers to national aquaculture / marine asset bases

READINESS

Moderate

Most value chains can start engagement; delivery gaps remain

KEY GAP

Trust + SOPs

Prior bad experiences need proper SOPs/ trust building

Pilot

Move to co-design

Main insights

- DoF, DoLS, and LoGIC have identified the key risks for each value chain and would offer technical support for product co-design
- Data exists, but needs to be packaged into an underwriter-ready data room.
- Policy support is most critical for affordability, data access and operational setup
- Trust must be rebuilt through transparent SOPs, timelines and grievance handling.
- Regulatory support required to design one of its kind products

What the Demand Tools Tell Us Across Value Chains

1 Demand is visible, not yet fully insurable	Most value chains can support insurer dialogue and structured data; delivery SOPs are still required.
2 Distribution exists through public systems	Cooperatives, Upazila offices, UFO/SUFO structures, samity groups and associations provide entry points.
3 Affordability is a policy question	Subsidy or blended premium support is repeatedly raised, especially for poor fishermen and smallholders.
4 Trust is the critical barrier	Prior bad experiences, delayed settlements, and low awareness must be addressed before pilot.
5 Product fit differs by value chain	Crop/livestock can build from comparable experience; aquaculture, mariculture and marine assets are first-of-kind.

Access to data for Co-design

Data Inputs	Why it matters
Loss history	Event-tagged, peril-specific loss records by District/Upazila / asset, with dates and severity.
Exposure registry	Unique farmer /fisher database; Exposure at upazila/ district level;
Reference pricing	Standard sum-insured basis by crop, livestock species, pond, farm area asset value - hull, engine and gear.
Hazard data	Risks and data sources
Delivery data	Premium channel, payout channel, claims intimation route, grievance route and settlement SLA.
Sustainability pathways	access, affordability, awareness, understanding, trust and timely claim settlement.

Insurance Coverage Needs

	Livestock	Aquaculture	Crop	Mariculture	Marine Assets
Key risks	• Flood and flash flood • Coastal salinity stress • Storm, lightning, heatwave and cold wave • Disease: PPR, FMD, LSD and swine flu • Fodder and drinking-water shortage	• Tidal surge and pond inundation • Flooding and erratic rainfall • High temperature • Virus, bacterial infection and poisoning • Seed and feed quality / cost pressure	• Cyclone • Drought • Flash flood and flood • Disease and insect attack • Market linkage and input-quality risks	• Cyclone and tidal surge • Heavy rainfall • Temperature, salinity and turbidity stress • Disease, poisoning and theft • Market price risk	• Cyclone and rough-sea events • Tsunami and siltation • Theft and loss at sea • Market disruption and repatriation risk • Navigation and safety shocks
Likely impacts	• Animal mortality and asset loss • Reduced milk, meat and weight gain • Higher fodder, medicine and transport costs • Income loss and distress borrowing	• Fish and shrimp mortality • Pond / gher damage and stock escape • Higher feed, seed and replacement costs • Reduced income and recovery capacity	• Yield and crop-quality loss • Income and price-realisation loss • Soil and waterlogging damage • Input loss and replanting costs	• Stock mortality and biomass loss • Farm and infrastructure damage • Reduced growth, quality and harvest • Income loss and higher recovery costs	• Hull, engine and gear damage or loss • Lost fishing days and lower income • High repair and replacement costs • Debt stress and livelihood disruption

LoGIC | MoFL

Value Chain - Livestock

GEOGRAPHY

12 Districts

LoGIC: 7 coastal/hill districts | MoFL: 5 mainland districts

SPECIES

5 Species

Sheep, Bengal Goat, Pig (LoGIC) | Cattle, Buffalo, Bull (MoFL)

AGGREGATION

8,863 Groups

LoGIC: 2,363 | MoFL: 6,500

Pilot programmes in districts identified by LoGIC (climate-vulnerable coastal/hill geographies) and MoFL/DLS (mainland geographies)

Why This Opportunity Matters

Combined risk context

RISK CONTEXT

- **Climate Hazards**

  Coastal/hill: flood, flash flood, salinity, storm, heatwave, lighting
  Mainland: heatwave, cold wave, heavy rainfall, flash flood, cyclone

- **Non-Climate Perils**

  Disease dominates (PPR, FMD, LSD, swine flu) plus unstable market prices and theft

- **Recent Loss Events**

  2022 flood - 300 sheep;
  2024 flash flood and
  2025 disease outbreaks

- **Current Coping mechanisms**

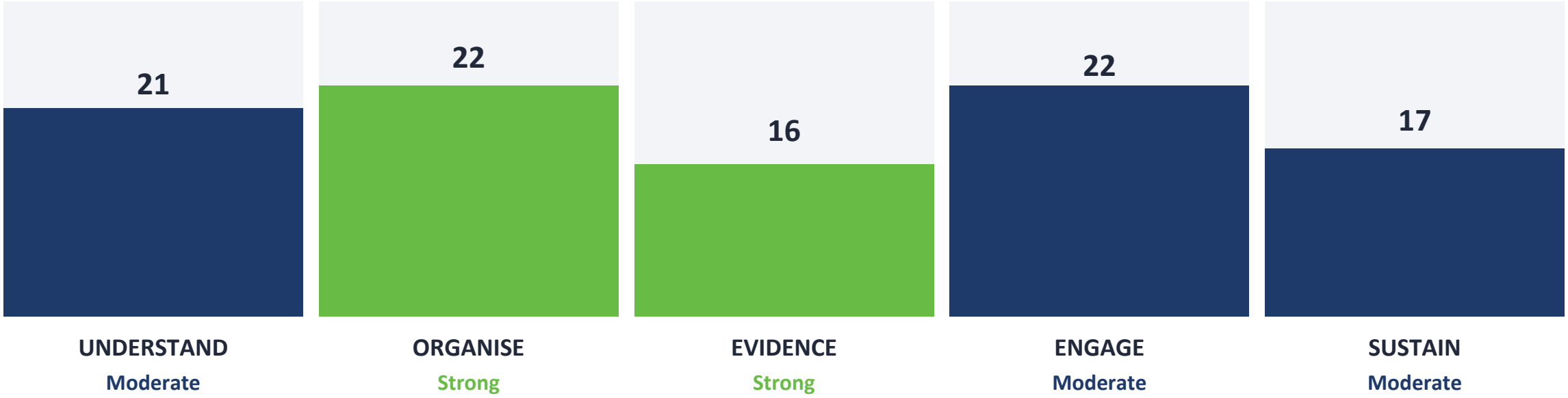
  Farmers rely on savings, sale of asset , or borrowings

TARGET SEGMENT

Dimension	LoGIC	MoFL
Geography	7 coastal/hill districts	5 mainland districts
Beneficiaries	10,625 farmers	2,60,000 farmers
Aggregation	2,363 groups	6,500 groups
Registry Depth	Digital database	~20,000 licensed farms

Capability Readiness Assessment

Indicative scoring based on responses provided — Overall Readiness: Moderate (~20/30)



Key Takeaways

UNDERSTAND: reasonably well-documented peril and exposure data
ORGANISE: cooperative network and farmer groups are more mature
EVIDENCE: complete farmer exposure and livestock count, event catalogue, Partial loss records
ENGAGE: Tested payment pathways / financial ecosystem ; past experience with a small indemnity insurance pilot
SUSTAIN: systems exits, long term implementation, servicing and operational continuity pathways needs to be established

Insurer Market Fit & Implementation Considerations

A national opportunity with real, mixed prior experience in both tracks

MARKET VIABILITY

- **Combined Risk Pool**

  12 districts and 5 species across two government-backed pilots — a multi-geography, multi-species national opportunity for one insurer partnership

- **Climate-Risk Relevance**

  Evidenced across two distinct geographies — coastal/hill shock events (LoGIC) and mainland heat/cold/disease cycles (MoFL)

- **Sum-Insured Basis**

  Reference prices for meat, milk and asset value — a usable pricing anchor

IMPLEMENTATION CONSIDERATIONS

Prior insurance experience

LoGIC's sheep indemnity pilot (8-hr intimation window) could not be tested as no claim experience.

Trust & awareness

Low awareness, lack of trust and affordability cited as the dominant constraint

Payment channels

Digital payment channels: bKash, Nagad (low penetration in marginal farmers)
Banking system also exists and tested in past programmes

Subsidy ask

subsidized premium model is needed for the pilot due to affordability concerns

Decision Points & Next Steps

Indicative pathways for insurer engagement and co-creation, across both pilot tracks

DATA

- Exposure and climate data reasonably available
- Loss/event databases available

DESIGN

- Support structured product design;
- Indemnity and Parametric product combination may suit better than a single coverage type

DISTRIBUTION

- Cooperative network is mature and tested
- Farmer groups offer a large distribution channel
- Upazila level livestock offices

DELIVERY

- Stronger delivery readiness exists;
- Need clear operational and delivery roles to ensure better awareness and build trust

Priority Next Steps

- Conduct a joint review of the past pilots to identify gaps before designing a next-generation product
- Harmonize cooperatives and farmer groups into a shared distribution backbone
- Build a subsidized premium pathway to address the affordability constraint
- Pursue a unified product design customised for each district as per the outlined key risks

LoGIC

Value Chain - Crop

BENEFICIARIES

35,311

Farmers across 9 districts

GEOGRAPHY

9 Districts

Barguna, Patuakhali, Bhola, Khulna, Bagerhat, Kurigram, Sunamgonj, Rangamati, Bandarban

AGGREGATION

Cooperative-led

Coordinated via Upazila Agricultural Office network

Key Crops: Rice, Watermelon, Mung Bean, Maize

Why This Opportunity Matters

Risk context and target segment across the crop value chain

RISK CONTEXT

- **Climate Hazards**

  Cyclone, drought, flash flood, flood — recurring across coastal and hilly geographies, heatwave

- **Non-Climate Perils**

  Disease and insect/pest infestation affecting rice, watermelon, mung bean and maize

- **Recent Loss Events**

  Cyclone Remal, Cyclone Bulbul, Cyclone Midhili — repeated cyclone exposure across coastal districts

- **Current Coping**

  Largely unable to cope — farmers report they "cannot manage" losses without external support

TARGET SEGMENT

35,311 — Farmers across the value chain

4,718 ha — Cultivated area; 83% of registered land

10 / 5 yrs — Production / loss data preserved at Upazila level

Crop Mix by Region

Region	Key Crops
Barguna / Patuakhali / Bhola	Watermelon, Mung Bean, Rice
Khulna / Bagerhat	Watermelon, Rice
Kurigram / Sunamgonj	Maize, Rice
Rangamati / Bandarban	Rice

Capability Readiness Assessment

Indicative scoring based on responses provided — Overall Readiness: Moderate (~20/30)

Key Takeaways

UNDERSTAND: Perils named and exposure quantified at Upazila level

ORGANISE: Cooperative structures and MIS digital register in place; coordination roles still informal

EVIDENCE: 10 yrs production + 5 yrs loss data at Upazila level; defensible per-hectare production cost

ENGAGE: Operational channels (digital mobile + bank) identified, willingness for co-development

SUSTAIN: Strong policy alignment; institutional ownership for insurance development yet to be established

Insurer Market Fit & Implementation Considerations

Is there a viable, insurable opportunity here today?

MARKET VIABILITY

- **Risk Pool Scale**

  35,311 farmers across 9 districts and 4 crops— a multi-region, multi-crop pool

- **Comparable Products**

  Successful past parametric insurance pilot - a co- developed solution

- **Climate-Risk Relevance**

  Cyclone, drought, flash flood and flood are recurring, evidenced perils (Remal, Bulbul, Midhili named events)

- **Sum-Insured Basis**

  Defensible cost-per-hectare basis already defined

PAYMENT, ECOSYSTEM & CONSIDERATIONS

Premium collection

Mostly cash-based today; some farmers use mobile banking — a gap vs. digital-first delivery models

Delivery channel

Upazila Agricultural Office , Sub-Assistant Agricultural Officer , Cooperative / farmer

Financial partners

Cooperatives, banks and MFIs are all active within the value chain

Co-development mandate

DAE mandate and capacity for a formal co-development agreement will be in place — institutional sign-off needed

Decision Points & Next Steps

Indicative pathways for insurer engagement and co-creation

DATA

- Upazila-level production and loss history is reasonably available
- loss data still needs structured compilation

DESIGN

- Existing comparable products support index or area-yield product design

DISTRIBUTION

- Cooperative network and Upazila Agriculture Office channel

DELIVERY

- Delivery roles exist informally;
- cash-based premium collection needs a clearer digital pathway

Priority Next Steps

- Compile the existing 5-year Upazila-level loss data into a structured, event-tagged database
- Confirm DAE's mandate and focal point for a formal co-development agreement with an insurer
- Pilot a digital premium-collection pathway (mobile banking) alongside the existing cash-based model
- Co-Design the product for rice/watermelon/mung bean/maize into an index-based design for this cohort

LoGIC | MoFL

Value Chain - Aquaculture

GEOGRAPHY

4 + 7 Districts

MoFL: 7+ districts
LoGIC: 4 coastal pilot districts

BENEFICIARY SCALE

10 Lakh Nationwide

MoFL: ~10 lakh fishermen overall, 47 lakh ponds nationally
LoGIC: 5,525 households

AGGREGATION

Coops + Samity

MoFL: Samity + Fish Farmers Coop
LoGIC: Cooperative

A climate-risk pilot sitting inside a much larger national aquaculture base — proof-of-concept scale meets nationwide headroom

Why This Opportunity Matters

Combined risk context and target segment across both tracks

RISK CONTEXT

- **Climate Hazards**

  Coastal : tidal surge, flooding/inundation, high temperature, erratic rainfall | National: rainfall, flash flood

- **Non-Climate Perils**

  Virus attack, bacterial infection, poisoning, theft, poisoning

- **Recent Loss Events**

  Cyclone Remal (2024) and high-temperature mortality (2025) | Flash flood 2024–26, 98% of ponds washed away in Sylhet/Chattogram/Cumilla — MoFL

- **Current Coping**

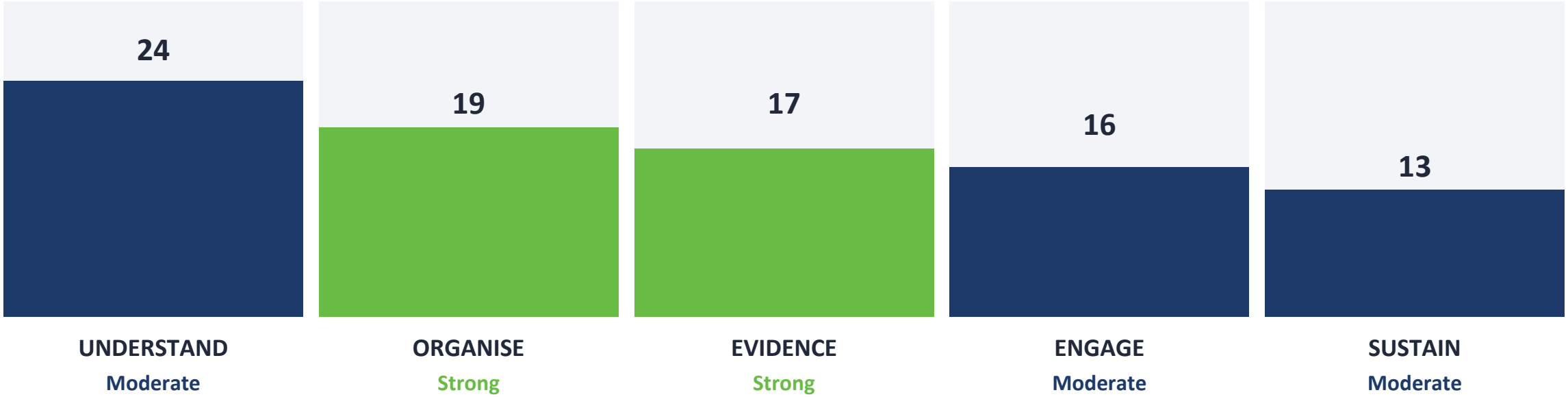
  Better pond management, GAP, loans | samity support and raising embankment height

TARGET SEGMENT — LoGIC vs. MoFL

Dimension	LoGIC	MoFL
Geography	4 coastal districts	7+ districts (nationwide data)
Beneficiaries	5,525 households (~100 ponds/ghers)	~10 lakh fishermen nationwide, ~47 lakh ponds, 1,000 hatcheries
Aggregation	Cooperative Mgmt Committees	Samity + Fish Farmers Coop
Data Depth	3 years production/loss data	54 years production; ~5 years loss data

Capability Readiness Assessment

Indicative scoring based on responses provided — Overall Readiness: Moderate (~18/30)



Key Takeaways

UNDERSTAND: detailed, quantified loss evidence; long production series available

ORGANISE: Functional Cooperative committees and nationwide samity structure exists

EVIDENCE: exposure, loss information well documented for insurer engagement

ENGAGE: reasonable aggregation, operational feasibility, and ecosystem alignment

SUSTAIN: Institutional support required for sustainability pathway

Insurer Market Fit & Implementation Considerations

Pilot-scale evidence meeting a much larger national opportunity

MARKET VIABILITY

- **Combined Risk Pool**

  pilot in a few districts out of a national base of ~10 lakh fishermen and 47 lakh ponds — substantial headroom

- **Comparable Products**

  Would be a first-of-kind product nationally

- **Climate-Risk Relevance**
  Sufficient evidence available— coastal cyclone/temperature shocks and catastrophic cross-border flash flooding

- **Sum-Insured Basis**

  Both use cost/asset/stocking value concepts; estimates available per-pond — a usable national starting point

IMPLEMENTATION CONSIDERATIONS

Insurance experience

No existing solution, a genuinely greenfield product category for aquaculture, nationally

Payment channels

bKash/MFI/Bank already used by cooperatives | most farmers reportedly already use smartphones and digital payments

Trust, awareness

Low Awareness and lack of trust trust to be addressed

Policy level

Government subsidy required for poor fishermen/hatchery owners

Decision Points & Next Steps

Indicative pathways for insurer engagement and co-creation, across both tracks

DATA

20 · Moderate

- Quantified loss evidence
- Long production series

DESIGN

20 · Moderate

- Structured cover concept;
- No comparable product exists

DISTRIBUTION

18 · Moderate

- Cooperative network
- Nationwide UFO/SUFO/samity structure

DELIVERY

16 · Emerging

- Stronger delivery readiness

Priority Next Steps

- Pilot a parametric/index product in a few districts, using it as a proof point before a nationwide rollout
- Explore subsidy/ Govt. support for poor fishermen/hatchery owners
- Expand payment pathways by leveraging existing bKash/bank experience and farmers' existing smartphone/digital-payment usage
- Build a shared, structured operational process

MoFL

Value Chain - Mariculture

BENEFICIARIES

100,000+

Farmers across ~100,000 farms / 200,000 hectares

GEOGRAPHY

5 Districts

Cox's Bazar, Patuakhali, Satkhira, Bhola, Bagerhat

AGGREGATION

300 Clusters

25 farmers/cluster — not yet formally registered

Target Species: Seaweed, Shellfish, Fin Fish (Sea Bass)

Why This Opportunity Matters

Risk context and target segment across the mariculture value chain

RISK CONTEXT

- **Climate Hazards**

  Cyclone, tidal surge, temperature, salinity, turbidity, heavy rainfall

- **Non-Climate Perils**

  Market price risk, disease, poisoning, theft

- **Recent Loss Events**

  Heavy rainfall (2023); Cyclone Remal — concentrated in Khulna, Satkhira and Bagerhat

- **Current Coping**

  Personal loans, NGO credit and informal credit from dealers/input sellers — no structured safety net

TARGET SEGMENT

100,000+ Farmers and farms across the coastal belt

200,000 ha Estimated mariculture area under cultivation

100% Uniquely Identied to Upazila / village level

Sum-Insured Basis by Farming Intensity

Farming Technology	Indicative Value
Traditional	BDT 2–3 lac / ha
Semi-Intensive	BDT 15–20 lac / ha
Intensive	BDT 50 lac / ha

Capability Readiness Assessment

Overall Readiness: Moderate (16/30) — positioned for preliminary insurer engagement

Key Takeaways

UNDERSTAND: Perils ranked, seasonal windows defined (cyclone Nov–Mar, heavy rain Jul–Sep); exposure understood

ORGANISE: 300 unregistered clusters of 25 farmers; functioning payment channel and coordination roles to be defined

EVIDENCE: 10 years of production data, Upazila-level exposure; partial loss event records

ENGAGE: No comparable insurer product exists

SUSTAIN: Policy discussion underway but budget, ownership, and continuity plans to be established

Insurer Market Fit & Implementation Considerations

Strong risk signal, earliest-stage institutional readiness of the value chains assessed

MARKET VIABILITY

- **Risk Pool Scale**

  100,000+ farmers across 200,000 hectares in 5 coastal districts — a large poo

- **Comparable Products**

  None — no Bangladeshi insurer currently offers mariculture cover; this would be a first-of-kind product

- **Climate-Risk Relevance**

  Strong and seasonal: cyclone/tidal surge concentrated Nov–Mar, heavy rainfall Jul–Sep — clear cover-window logic

- **Sum-Insured Basis**

  Tiered by farming intensity — BDT 2–3 lac/ha (traditional) to BDT 50 lac/ha (intensive) — gives a workable pricing anchor

IMPLEMENTATION CONSTRAINTS

Payment channels

bKash, Nagad and bank exist in principle, but are not yet proven for premium collection or payouts with this cohort

Insurance experience

None — no prior insurance product or delivery experience for this value chain

Field capacity

DoF has no prior experience delivering insurance; dedicated capacity and an SOP would need to be built

Key constraints (as stated)

"Lack of manpower, framework, and program" — cited directly as the primary implementation gap

Decision Points & Next Steps

Indicative pathways for insurer engagement and co-creation

DATA

23 · Strong

- Upazila-level exposure and 10 years of production data can support informed product discussions

DESIGN

20 · Moderate

- Clear seasonal peril windows support an index design;
- no comparable product exists to anchor against

DISTRIBUTION

14 · Emerging

- 300 farmer clusters exist but are unregistered;
- Payment & servicing channel to be tested

DELIVERY

10 · Weak

- Institutional ownership, MoU, or sustainability pathway to be established

Priority Next Steps

- Formally register the existing 300 cluster farms (25 farmers each) as the core aggregation unit for a pilot
- Build a dedicated insurance-delivery SOP and field capacity — none exists today
- Define institutional ownership and a named focal point to enable a formal co-development MoU
- Pilot an index-based product around the defined key risks and period

MoFL

Value Chain - Marine Assets

BENEFICIARIES

~29,200

29k artisanal (10k registered) + 232 commercial boat owners

GEOGRAPHY

8 Districts

Cox's Bazar, Chattogram, Satkhira, Bagerhat, Barguna, Khulna, Bhola, Patuakhali

AGGREGATION

Boat Associations

Via Upazila Officer; BMFA as potential aggregation partner

Asset Types: Artisanal Boats (10–40m depth zone) • Commercial / Industrial Boats (>40m depth zone)

Why This Opportunity Matters

Risk context and target segment across the marine assets value chain

RISK CONTEXT

- **Climate Hazards**

  Cyclone, tsunami, siltation — concentrated along the coastal and deep-water fishing zones

- **Non-Climate Perils**

  Theft, market disruption, and repatriation risk (cross-border / detention incidents)

- **Recent Loss Events**

  2024 cyclone event recorded as high-severity — an evidenced

- **Current Coping**

  Navigational equipment and Automated Information System (AIS) — risk avoidance, not risk transfer

TARGET SEGMENT

~29,000 Artisanal fishermen (10,000 already registered with DoF)

232 Commercial / industrial boat owners

100% Registered via Upazila Fisheries Office

Historical Data Depth

Segment	Available Evidence
Artisanal	10 years, Upazila-level production data
Commercial	20 years, boat-wise production data
Sum-Insured Basis	Asset value — hull, engine, fishing gear, production

Capability Readiness Assessment

Overall Readiness: Moderate (18/30) — positioned for preliminary insurer engagement

Key Takeaways

UNDERSTAND: Perils ranked and quantified at Upazila level; asset+peril protection need clearly articulated

ORGANISE: Enrollment via Upazila officer works well; no formal producer groups, no dedicated field capacity

EVIDENCE: Strong historical depth (10–20 yrs) and boat-level sum-insured basis; data is collectible within a month

ENGAGE: No comparable insurer product exists; no premium pathway identified yet

SUSTAIN: Donor-dependent today; no budget line, ownership, or continuity commitment in place

Insurer Market Fit & Implementation Considerations

Strong evidence base; trust and delivery mechanisms still need to be built

MARKET VIABILITY

- **Risk Pool Scale**
  ~29,200 fishermen and boat owners across 8 coastal districts; a natural artisanal / commercial product split by depth zone
- **Comparable Products**

  None — no Bangladeshi insurer currently offers a comparable marine asset product
- **Climate-Risk Relevance**
  Cyclone, tsunami and siltation risk are clearly understood and Upazila-level evidenced (2024 cyclone cited as high-severity precedent)
- **Sum-Insured Basis**
  Asset value — hull, engine, fishing gear — tracked at boat level; one of the strongest evidence bases of the value chains assessed

IMPLEMENTATION CONSTRAINTS

Payment channels

Bank, Nagad & bKash channel exist via DoF connections, but no functioning premium pathway has been identified yet

Insurance experience

None — no prior insurance product or delivery experience for this value chain

Field capacity

informal ownership exists , dedicated DoF capacity to be build for insurance delivery

Key constraints (as stated)

Bad experience, fund (financing), active cooperation, mistrust — four distinct flags

Decision Points & Next Steps

Indicative pathways for insurer engagement and co-creation

DATA

Strong

- Strong historical depth and boat-level asset data can support informed product and pricing discussions

DESIGN

Moderate

- Clear protection need and asset basis support a structured asset/hull cover concept

DISTRIBUTION

Moderate

- Upazila officer-based enrollment works;
- BMFA and boat associations could formalize this further

DELIVERY

Emerging

- Coordination is informal and sustainability is donor-dependent;
- institutional ownership still to be confirmed

Priority Next Steps

- Explore linking insurance to Letter of Permission (LOP) issuance as a mandatory, built-in distribution mechanism
- Align premium collection with the active fishing season; explore government support during seasonal fishing bans
- Engage BMFA and boat owner associations to formalize today's informal aggregation structure
- Address the cited "bad experience" and mistrust directly — a trust-rebuilding component before scale-up

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Contact for Queries regarding the EoI

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Thank you!