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MARDR

SYFAAH

Systeme de financement et
d'assurances agricoles en Haïti



SDC Savings and Credit Forum, Bern, May 11th 2016

Developing a National Agricultural Insurance system in Haiti: Challenges of the SYFAAH project

Jean-Yves Drolet, agr., M.Sc., FADQDI

- A 7-year-project (2011-2018) in 2 phases
- 19M € financed by 3 countries (Canada/Switzerland/France)
- 3 pillars and 3 executing agencies



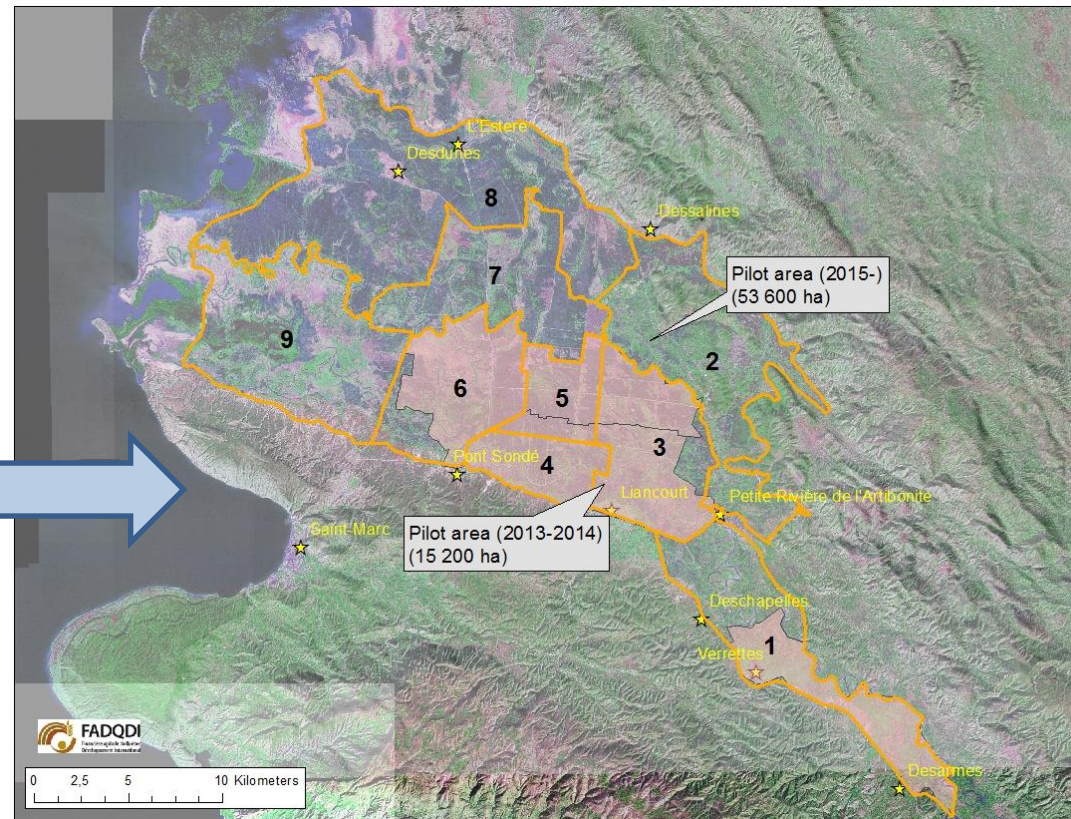
Main goals in crop insurance

- ✓ Preliminary feasibility studies (go-no go)
- ✓ Customized products by crop and region
- ✓ Pilot-scale implementation
- ✓ Deployment and transfer



Development in the Artibonite Valley

- ✓ 2012: Feasibility studies and validation workshops
- ✓ 2013: Field data collection and processes testing
- ✓ 2014: Subscription in real mode, limited area (15 200 ha)
- ✓ 2015: Deployment in the entire irrigated perimeter (53 600 ha)
- ✓ 2016: Opening of « free » subscription (in parallel with « bundled » subscription)



Main features – Insurance product

- Area-yield index program (9 insurance sectors)
- Crop and region specific (rice in the Artibonite valley irrigated perimeter)
- General coverage for climatic and natural risks
- Guarantee rate: 85% (deductible: 15%)
- Unit cost= production cost (± 770 €/ha)
- Premium = 3,8% x insured value (± 25 €/ha)



Randman ki posib pou chak zòn pou yon kawo tè

(kg / kawo tè)

Zòn	TCS10	Chela
1	6 348	4 069
2	6 242	4 069
3	6 757	4 044
4	7 179	4 231
5	6 242	3 940
6	5 872	4 073
7	6 471	4 069
8	6 396	4 069
9	6 396	4 069

Operational setup (subscription)

SYFAAH →

Cropping season planning

- Expected yields calculation
- Production costs updating
- Premium rate updating

→ Program One-pager



MFI →

Subscription / insured interest

- Subscription forms filling (digital)
- Main parcel location (GPS)
- Premium payment

↓

Subscription data validation

- Producer and crop data
- Financial data
- XY data

→ - Subscription certificates
- Subscribers Database
- ArcGIS Database

SYFAAH →



Desjardins Développement International | FADQDI | IICA

Certificat de participation au programme d'assurance récolte
Projet pilote Phase III

ASSURANCE RÉCOLTE COLLECTIVE

Année d'application: 2015 | Numéro de dossier: 15030079
Campagne: Grande campagne (adhésion du 1er mars au 3 juillet 2015)
Production: Riz irrigué

INFORMATIONS DE L'ADHÉRENT

Nom: MAURICE | Prénoms: ANDRÉE THELY
Adresse: 13, RUE L'OUVERTURE, PTE RIVIERE
Habitation: PTE RIVIERE
Téléphone: 3614137

PROTECTION D'ASSURANCE DE L'ADHÉRENT

Le présent document confirme votre participation à la réalisation du Projet pilote Phase III et atteste que vous êtes maintenant assuré au Programme d'assurance récolte pour la grande campagne de 2015 (première campagne). Tout défaut de respecter les conditions d'admissibilité entraînera la résiliation de votre contrat d'assurance. Notez que votre contrat pourrait être modifié à la suite de vérifications des renseignements disponibles. Pour toute information supplémentaire, veuillez communiquer avec le bureau du projet SYFAAH au numéro de téléphone suivant: 4892-2533

No zone	Superficie cultivée Riz Shella ou apparenté (carreaux)	Superficie cultivée Riz TCS30 ou apparenté (carreaux)	Superficie cultivée totale en riz (carreaux)	Prix unitaire (gourdes / carreaux)	Valeur assurée (gourdes)	Taux de garantie (%)	Valeur prime (gourdes)	Taux de prime (%)	Prime exigible (gourdes)
1	0	1	1	67080,00	67080,00	85%	57018,00	3,8%	2165,00

Émis le: 8 février 2016 10:58

Operational setup (communication)

SYFAAH



Communication / Information

- Individual meetings
- Small group meeting
- Communication material distribution



- Communication reports



Operational setup (yield assessment)

SYFAAH +
3rd-party Lab

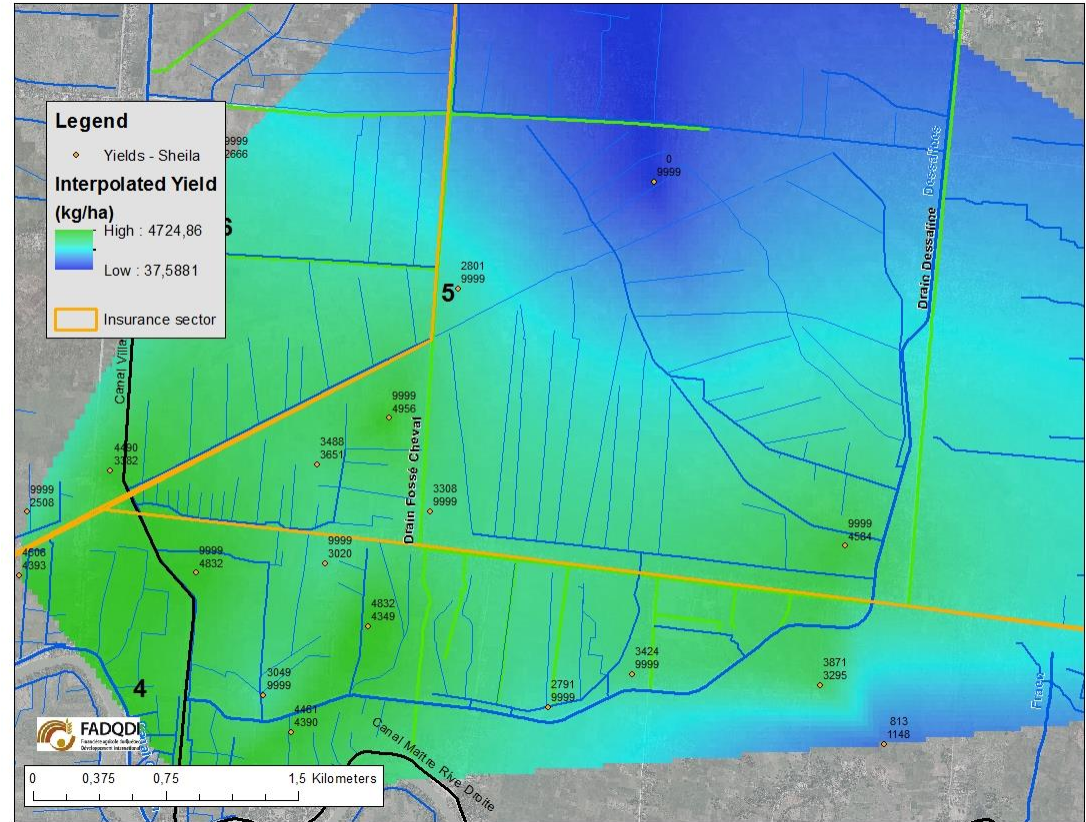


Crop yield assessment

- Gathering declared yields (SYFAAH)
- Sampling actual yields (3rd party)
- Actual yields calculation / sector



- Yield reports
- Point yield maps
- Raster yield maps



Operational setup (compensation)

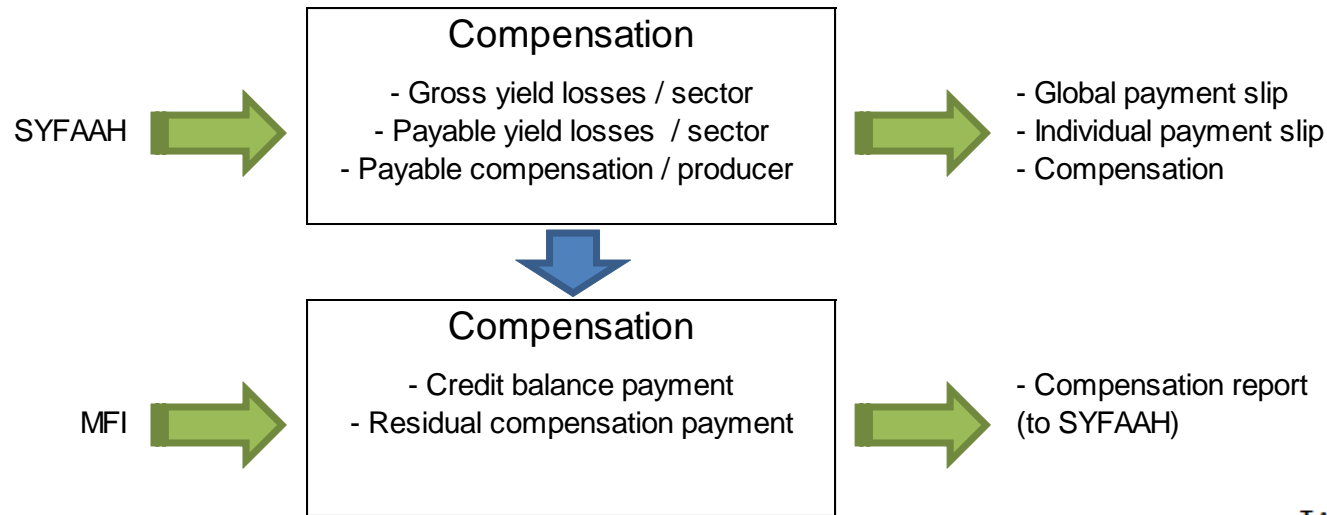


TABLEAU 1
RENDEMENTS PROBABLES ET RENDEMENTS RÉELS (KG/HA),
PERTES BRUTE ET INDEMNISABLE, PAR SECTEUR
ET POUR LE TYPE TCS10, LORS DE 2015-C1

Secteur d'assurance	Rendement probable (kg/ha)	Rendement réel (kg/ha)	Perte brute (%)	Perte indemnisable (%)
1	4 921	3 411	30,68	15,68
2	4 839	3 458	28,54	13,54
3	5 238	4 827	7,85	-
4	5 565	2 933	47,30	32,30
5	4 839	2 148	55,61	40,61
6	4 552	4 351	4,42	-
7	5 016	5 028	-	-
8	4 958	3 653	26,32	11,32
9	4 958	3 867	22,00	7,00

Business model sustainability (1)

Crop insurance cost allocation scenarios for the 2014-2019 transient period

Scenario / units	Cost allocation - risk premium -		Cost allocation - Administration -		Cost allocation - Global -		
	Farmers	GovH&Partners	Farmers	GovH&Partners	Farmers	GovH&Partners	Total (1)
Scenario A (risk premium @ 3,8%; global sharing with Producers (20%) / GovH&partners (80%))							
(%)	50%	50%	0%	100%	20%	80%	100%
(HTG/ha)	840	840	0	2 600	840	3 440	4 280
(€/ha)	12	12	0	37	12	49	61
Scenario B (risk premium @ 3,8%; global sharing with Producers (40%) / GovH&partners (60%))							
(%)	100%	0%	0%	100%	40%	60%	100%
(HTG/ha)	1 680	0	0	2 600	1 680	2 600	4 280
(€/ha)	24	0	0	37	24	37	61
Scenario C (global premium @ 9,7%; global sharing with Producers (50%) / GovH&partners (50%))							
(%)	50%	50%	Included in a global premium		50%	50%	100%
(HTG/ha)	2 144	2 144			2 144	2 144	4 287
(€/ha)	31	31			31	31	61

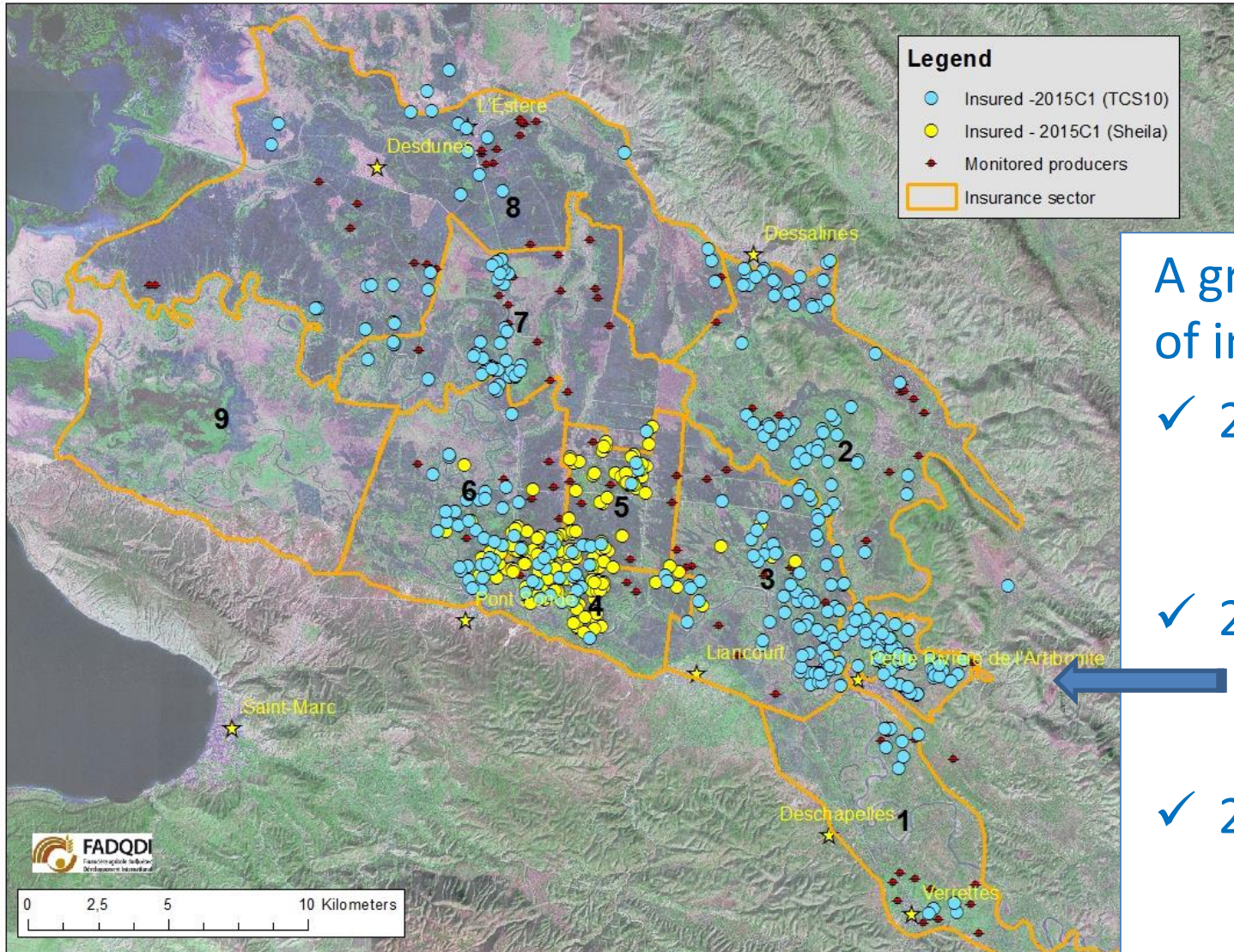
(1): Mean costs for a 6-year transition period with 400 insured farmers during year 1 and 7000 insured farmers on year 6

Business model sustainability (2)

Key challenges of the business model

- ✓ Defining a suitable public-private partnership (PPP) structure
 - ✓ Private insurers must have a leading role in the PPP structure
 - ✓ Haitian government must put in place other structural measures in rural areas (technical assistance, irrigation&drainage facilities, cadastre, etc.)
 - ✓ Haitian government must develop a proper business environment for insurance companies (ex.: detaxation of crop insurance)
- ✓ Insuring mid-term financial commitment by the Haitian Government and/or their international partners
 - ✓ A strong international involvement at the beginning with a gradual withdrawal strategy
- ✓ Setting up a relevant legal environment in insurance in general and crop insurance in particular
 - ✓ Support legal agencies in their laws and regulation initiatives

Results and outlook (1)



A growing number of insured

- ✓ 2014: 400
 - ✓ 2014C1: 149
 - ✓ 2014C2: 251
- ✓ 2015: 940
 - ✓ 2015C1: 675
 - ✓ 2015C2: 265
- ✓ 2016:
 - ✓ 2016C1: underway

Results and outlook (2)

General profile of insured farmers

- ✓ Total area in rice: 1,1 ha/farmer (range from 0,2 to 5 ha)
- ✓ Mean loan by growing season: 46 500 HTG (665 €)
- ✓ Land ownership
 - Owner: 21%
 - Leaseholder: 57%
 - Occupant: 22%



Results and outlook (3)

Any measurable impact so far ?

- ✓ Limited historic background: only 4 growing seasons completed
- ✓ Compensation in 2015C1= 2 times all premiums payed during 2014C1, 2014C2 and 2015C1
 - Will keep producers bankable
- ✓ No upward trends noticed so far in cultivated areas, loan values, etc.
- ✓ Difficult to pinpoint actual impact of crop insurance in a multifactorial environment (credit, technical assistance, other local development projects, etc.)

Lessons learned (1)

- ✓ Information/communication is a key issue for implementing a crop insurance mechanism in Haiti
 - ✓ Low insurance literacy in Haiti
 - ✓ Mixed expectations and understanding by farmers about credit, insurance and technical assistance
 - ✓ Rapid spreadout of information, true or false
- ✓ The tortoise wins the race: crop insurance is a long-term proposal
 - ✓ Understanding the risk (region and crop specific)
 - ✓ Developing strong partnerships
 - ✓ Implementing efficient administrative processes



Lessons learned (2)

- ✓ Supply should be designed to meet the demand
 - ✓ Insurance programs should ultimately be demand-driven
 - ✓ Benefits of crop insurance must be well explained and vulgarized
 - ✓ A bound of trust has to be developed between the insurer and farmers
- ✓ Insurance will have to be complemented with other risk mitigation actions
 - ✓ Maintenance of irrigation and drainage networks by the Ministry of Agriculture
 - ✓ Access to credit and technical assistance for small farmers
 - ✓ Implementation of a true cadastral system



Thanks for your attention!



Project sponsored by:

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