



ssnup

Smallholder Safety Net
Upscaling Programme

INDEX INSURANCE IN WEST AFRICA



Africa



Latin America



Asia



Financial services



Non-financial services



Market building



Internal management

CONTEXT

Smallholder farmers in West Africa involved in various staple and cash crops production are often exposed to adverse weather conditions and revenue fluctuation, as their production is their sole source of revenue. Agriculture insurance is underdeveloped in the region and costly to implement, because of the small size of the farms and the difficulty to make claims assessments in remote areas. Within this context, index insurance products have been piloted over a number of years to enable farmers to manage their risks better in a more affordable and efficient way where claim payments are triggered by a weather index and paid automatically.

CURRENT STATUS OF THE INVESTEE

Inclusive Guarantee is a microinsurance broker offering agriculture index insurance, micro-health and credit life insurance to low-income clients in West Africa. In 2020, the company has sold 220.000 microinsurance policies across all product types.

Inclusive Guarantee is the first licensed insurance broker with the specific expertise in offering index insurance solutions to smallholder farmers in the region. The company functions as the business facilitator of the entire agricultural insurance value chain by linking the smallholder farmers through a variety of aggregators with insurers and re-insurers. It has developed several index insurances for smallholder farmers involved in rice, maize, groundnuts and cotton and requires further support to increase its outreach.

OBJECTIVE OF THE PROJECT

By the end of 2022, Inclusive Guarantee aims to:

- Reduce the risks of 60.000 smallholder farmers (including 20.000 women) in 4 West African countries by subscribing to agricultural insurance for the first time.
- Improve the financial management and risk awareness of 100.000 smallholder households through financial literacy trainings

The objectives will be achieved through the design and distribution of client-centric insurance solutions developed in close consultation with the smallholder households and the aggregators. These solutions will be coupled with specific capacity building activities for all insurance value chain actors, including the end clients, the aggregators/distributors and the insurers. In addition, a new digital subscription, policy and claims management platform will be implemented to facilitate outreach into rural areas.

IMPACT INVESTOR



AGGREGATOR / INVESTEE

Inclusive Guarantee – Burkina Faso, Ivory Coast, Mali, Senegal

TARGETED N° OF FARMERS

60,000 farmers in 2021/22

AGRICULTURAL VALUE CHAIN

Cotton, millet, rice, sesame, sorghum, soya.

STARTING DATE

01/01/2021

DURATION

24 months

TOTAL BUDGET

€ 235,000
43% from SSNUP

