



InsuResilience

Solutions Fund

PROJECT BRIEF ETHIOPIA



The 2015 El Niño-induced drought in Ethiopia has caused food insecurity among 10.2 million people. Recognising a strong need for the development of an index-based insurance product that would protect smallholder farmers from income shocks arising from severe and catastrophic weather risks, the Project Partners have formed a consortium to further develop and scale a vegetation index crop insurance (VICI) product. This includes the lessons-learned from earlier piloting, and aims to enhance access to insurance through rolling out of a national agent network leveraging cooperatives and MFIs, bringing in gains in both productivity and profitability.



Target group

Smallholder farmers cultivating maize, teff, wheat, barley and sorghum



Target region

Districts in Oromia and ~~SNNPR~~



Insured asset

Agricultural input costs, loan repayment, value of crops (partly to fully)



Insured peril / hazard

Drought



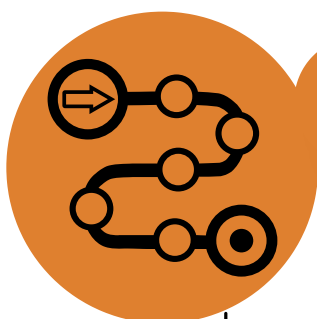
Insurance type

Micro-scheme
Scale-up of already piloted Normalized Difference Vegetation index-based insurance solution (NDVI)



Own contribution

53% of total ISF project costs

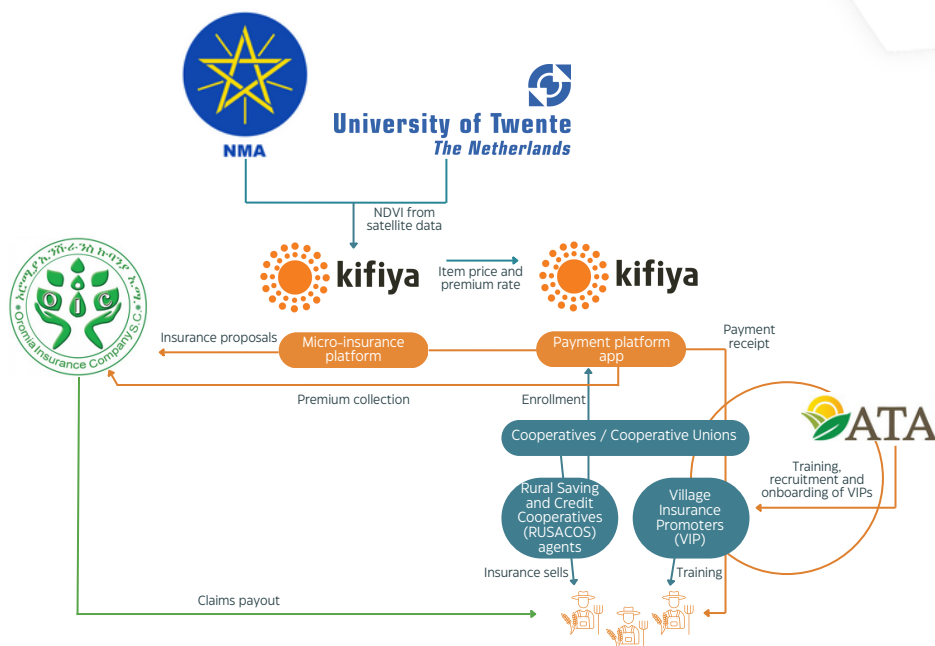


PRODUCT DEVELOPMENT ACTIVITIES SUPPORTED

- Agent selection and recruitment.
- Training of agents, village promoters and farmers.
- Procurement and delivery of technical devices for enrollment.
- Local index adaptation (extension to other districts).
- Product design / adaptation, testing and implementation.
- Further development of cloud micro insurance platform for product scale-up.
- Automatic reading of geospatial location of the crop field.
- Awareness raising activities.
- Project management, monitoring and evaluations.



PROJECT SET UP



EXPECTED IMPACTS

- Enhanced resilience of smallholder farmers against climate shocks (particularly drought).



PROJECT PARTNERS


DEMAND

- Agricultural Transformation Agency (ATA) / Government Entity / ET

SUPPLY

- Kifiya Financial Technology PLC / Fintech-InsurTech / ET
- Oromia Insurance Company SC / Insurance Company / ET

EXPECTED BENEFICIARIES ¹

 **485,000 by 2025**
100% poor and vulnerable

IMPLEMENTATION PERIOD



GRANT AMOUNT

EUR 2,053,044