InsuResilience
Solutions Fund

KENYA
aMAIZING CROP INSURANCE PROGRAM

The agriculture and livestock sectors in Kenya are highly exposed to droughts and floods. Kenyan smallholder farmers have a rain-fed farming system, use low-tech farming methods, and are being pushed into drier and more marginal areas. To address the low insurance penetration of smallholder farmers, ACRE - in collaboration with the Ministry of Agriculture, Livestock and Fisheries (MoALF) - aims to increase the resilience of 300,000 currently uninsured smallholder farmers against climate related risks, and fulfil the government's climate smart insurance objective with the latter subsidizing 50 % of the insurance premium.

PRODUCT CHARACTERISTICS

Target group	Smallholder farmers in rural areas with less than two (2) ha field size
Target region	10 counties in Kenya
Insured asset	Cost of production of different crops, input credit or portfolio of agri-service providers, food supply costs
Insured peril/ hazard	Drought, excessive rain, pests and diseases
Insurance type	Micro-, meso- and macro-scheme Upscale of piloted micro-level insurance solution: micro-scheme through trained champion farmers, meso-scheme through MFIs, and macro-scheme through country governments
Own contribution	50.5 % (of total ISF project costs)

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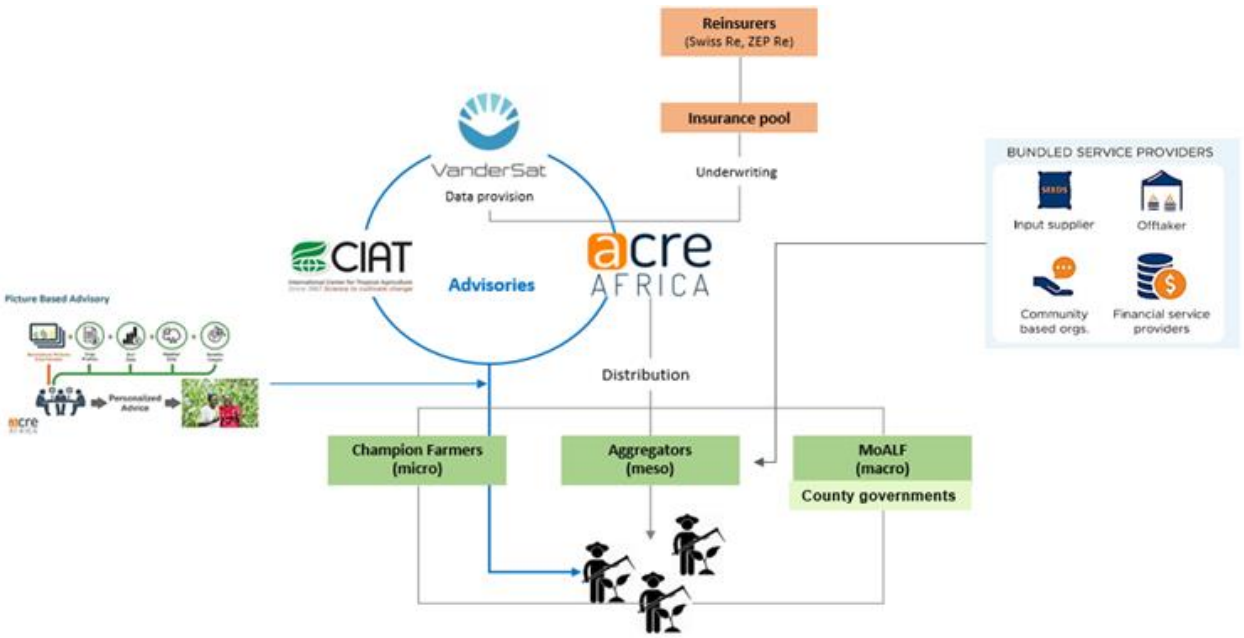
PRODUCT DEVELOPMENT ACTIVITIES SUPPORTED

Development of hybrid insurance product based on soil moisture index combined with picture-based loss verification tool

- Analysis of high-resolution soil moisture satellite data, to capture drought and excessive rainfall events
- Extending the insurance to cover sorghum, beans and Irish potatoes
- Scale-up of existing products by training farmer champions as multipliers
- Distribution of insurance through aggregators and county governments
- Development of personalised climate advisories based on picture and satellite data
- Integrate the different platforms used in the collection of premiums, signup of farmers, monitoring of cover, loss assessment, claims processing and payout distribution to individual farmers into a single platform

PROJECT SET-UP



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PROJECT PARTNERS Demand Side	• Ministry of Agriculture, Livestock and Fisheries (MoALF), Kenya / Government entity • ACRE Africa, Kenya / Insurance surveyor
Supply Side	• VanderSat, The Netherlands / Satellite data provider • International Center for Tropical Agriculture (CIAT), Kenya / Non-for-profit research organisation • Swiss Reinsurance, Switzerland / Reinsurance company • ZEP Re, Kenya / Reinsurance company
EXPECTED IMPACTS	• Increased accessibility of crop insurance to smallholders due to minimization of costs of loss verification and damage detection at plot level (insurance penetration) • Increased resilience of smallholder farmers to climate and disaster risks
EXPECTED BENEFICIARIES[1]	3,000,000 by 2025 (100 % poor and vulnerable)
IMPLEMENTATION PERIOD	24/06/2021 – 24/07/2023

[1] Based on submission documents requiring use of IGP M&E Methodology.