

UGANDA

INDEX INSURANCE IN UGANDA, A REAL BUSINESS TO SERVE MILLIONS



Smallholder farmers in Uganda are highly exposed to natural, climatic, and biological shocks, which cause crop loss or damage particularly at the time of harvest. Multi-Peril Crop Insurance (MPCI) for large commercial farmers is found to be unaffordable for smallholder farmers, especially compared to index-based insurance products. To promote the development of a sustainable agricultural insurance market for all, in 2016 the Government of Uganda launched the Uganda Agricultural Insurance Scheme (UAIS) offering a range of crop, livestock, poultry and aquaculture insurance via the Agriculture Insurance Consortium (AIC). In the proposed strategy, all insurance policies can be provided either directly to the farmers by distribution partners (bundled with loans, inputs, advice), or indirectly through distribution partners, or as meso-level insurance.

i	PRODUCT CHARACTERISTICS	
	Target group	Smallholder farmers
	Target region	Countrywide
	Insured asset	Agricultural production, financial losses
	Insured peril / hazard	Drought, excessive rainfall
	Insurance type	Micro- and meso-scheme Scale up of existing and development of new index-based insurance solutions
	Own contribution	50 % (of total ISF project costs)



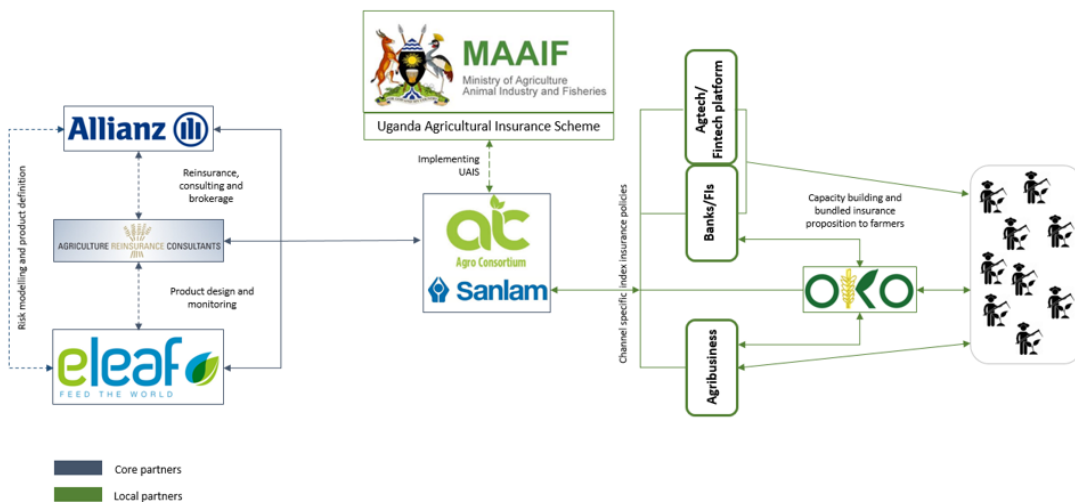
PRODUCT DEVELOPMENT ACTIVITIES SUPPORTED

Development of additional crop-specific index-based insurance solutions for agricultural production (sorghum, barley, etc.) and new perils, and scale up of existing index-based products (maize, beans, coffee, potatoes) to small scale farmers in new regions

- Outreach to farmers through key distribution partners and directly via a mobile platform
- Designing more crop-specific insurance products and including additional perils
- Designing different bundling arrangements with different distributors
- Improvement and development of IT infrastructure at the supply side to be able to scale
- Development of an onboarding application for key distributors



PROJECT SET-UP






PROJECT PARTNERS

Demand Side

Supply Side

- OKO Finance, Israel / Sales and insurance platform provider
- Sanlam Uganda, Uganda / Representative of Agro Consortium AIC
- Several local farmers' federations / organisations and bewery, Uganda
- eLeaf, The Netherlands / InsurTech
- Agricultural Reinsurance Consultants (ARC), Switzerland / Agriculture insurance consultants and reinsurance broker

 <p>EXPECTED IMPACTS</p>	<ul style="list-style-type: none"> • Increased number of policyholders • Increased resilience of Ugandan farmers against weather and climate-related shocks
 <p>EXPECTED BENEFICIARIES¹</p>	<p>1,410,000 by 2025 (>75 % poor and vulnerable)</p>
 <p>IMPLEMENTATION PERIOD</p>	<p>20/09/2021 – 20/10/2023</p>

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