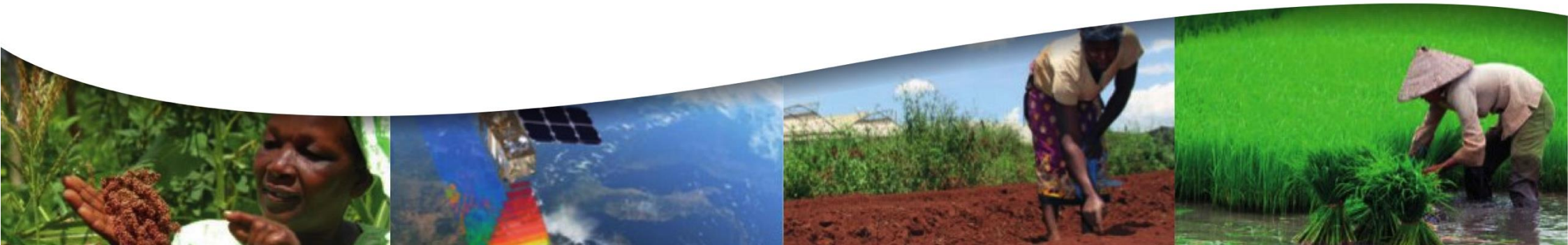




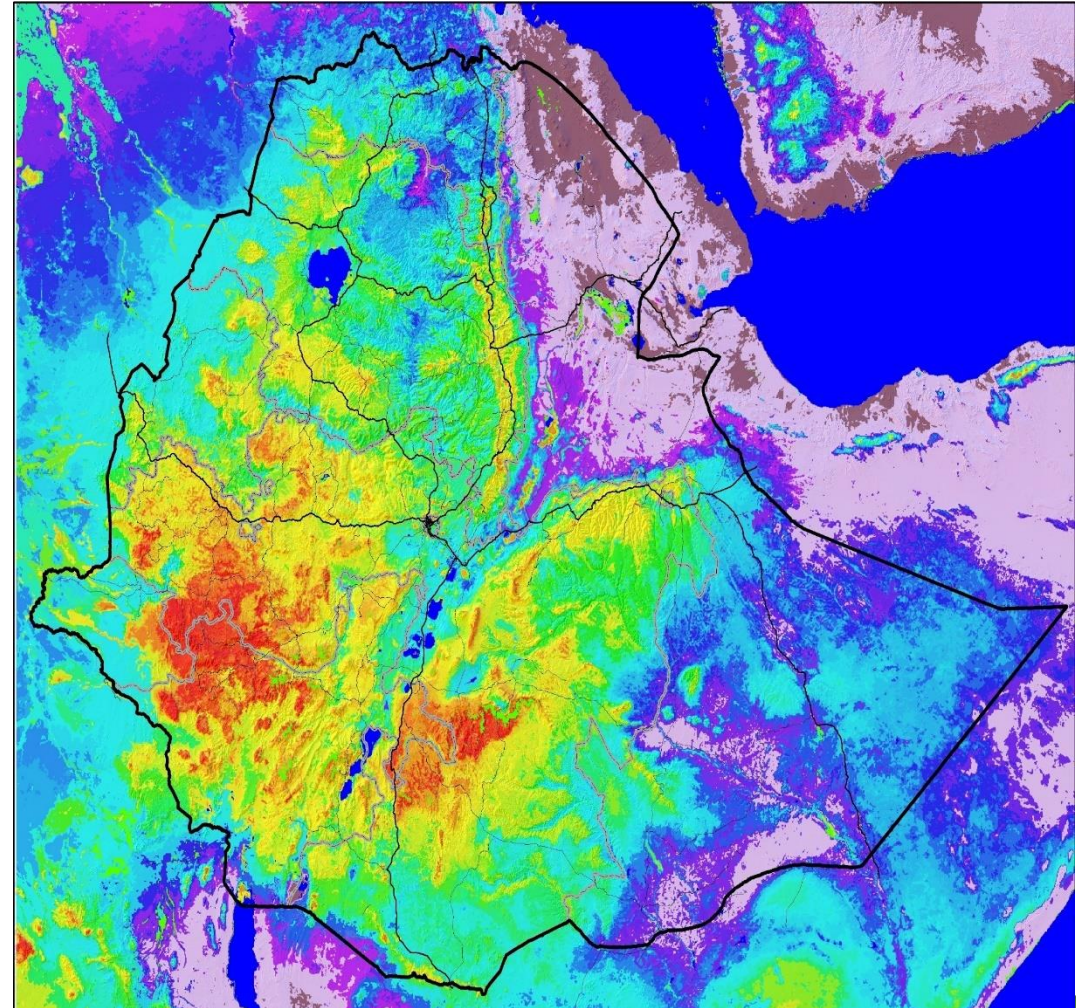
## **Geodata for Innovative Agricultural Credit Insurance Scheme**

**Mr. Megerssa Miressa**  
Director, Microinsurance Programme  
Kifiya Financial Technology plc, Ethiopia



# Characteristics G4AW-project

Country	: Ethiopia
Lead Partner Consortium	: ITC- University of Twente ATA, NMA
Services Insurance	: Vegetation Index Crop
Target group	: 1.6 million SHF
Project period	: 2014 - 2017





# Characteristics of the target group

The Target groups are;

- Size : 7 Million
- Crops : Cereal Crops(Tef, Wheat, Barley, Maize and Sorghum)
- Average Size of Land : Small Holder( 80%, less than/equal to 0.5Hectare)
- Majority of them are organized as Farmers Cooperatives and Farmers Cooperative Unions
- Reached via the networks of Microfinance Institutions and Cooperatives





# Goal of the G4AW project

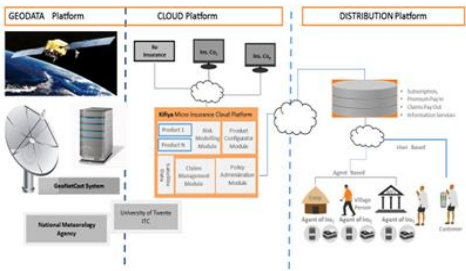
Explain the goal of the project through 3 aspects:

1. **Pain** - Weather Risk (drought), low access to credit, low productivity
2. **Gain** - Designed Credit linked vegetation Index Insurance
3. **Promise**
  - Transfer risk of loss due to drought
  - Access to finance
  - Use recommended input
  - Increase productivity



# State of Affairs – May 2018

Microinsurance Technology Platforms



## Year 2016

Insurer	Policy sold	Sum Insured (ETB)	Premium (ETB)	payouts Recipients	Payout (ETB)
OIC	4,079	2,916,000	437,200	3,821	560,000
EIC	407	1,451,250	174,150	189	357,665
<b>Sub Total</b>	<b>4,486</b>	<b>4,367,250</b>	<b>611,350</b>	<b>4010</b>	<b>917,665</b>

## Year 2017

Insurer	Policy sold	Sum Insured (ETB)	Premium (ETB)	payouts Recipients	Payout (ETB)
OIC	2,308	1,314,657	197,100	0	0
EIC	32	487,695	14,850	20	49,800
<b>Sub Total</b>	<b>2,340</b>	<b>1,802,352</b>	<b>211,950</b>	<b>20</b>	<b>49,800</b>
<b>Total</b>	<b>6,826</b>	<b>6,169,602.0</b>	<b>823,300.00</b>	<b>4,030</b>	<b>967,465</b>

### Other Partners;

- PFEA
- Insurance Companies( EIC, OIC)
- LIFT

## Achievements

- Scale has not (yet) been achieved.
- Government ownership of the product and ecosystem ... more than expected.
- What makes you very proud? The quality of the product
- What was a disappointment: Unable to link with credit & absence of premium subsidy.

## Lessons

- What are the strong points of the project; Product & Partnership
- What would you do differently if you could redo the project :Link with Credit & add two perils to insure





# Business case

At the start of the project:

- Market potential: 1.6 million SHF in three years
- The business model was intended at the start of the project is Credit linked, Insurer agent commission based relationship, technology based enrolment

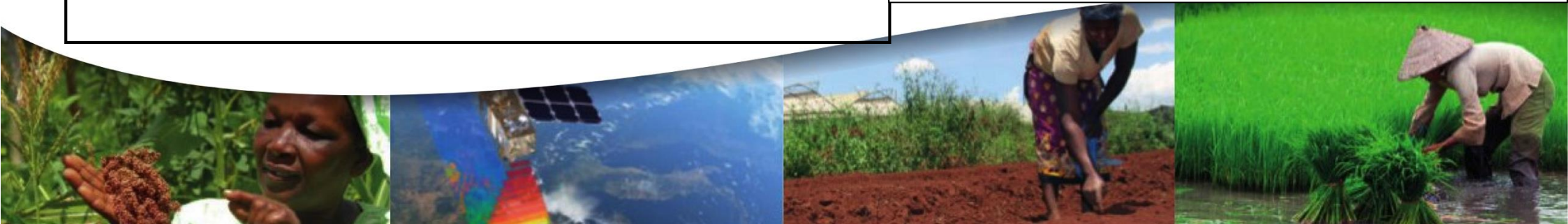
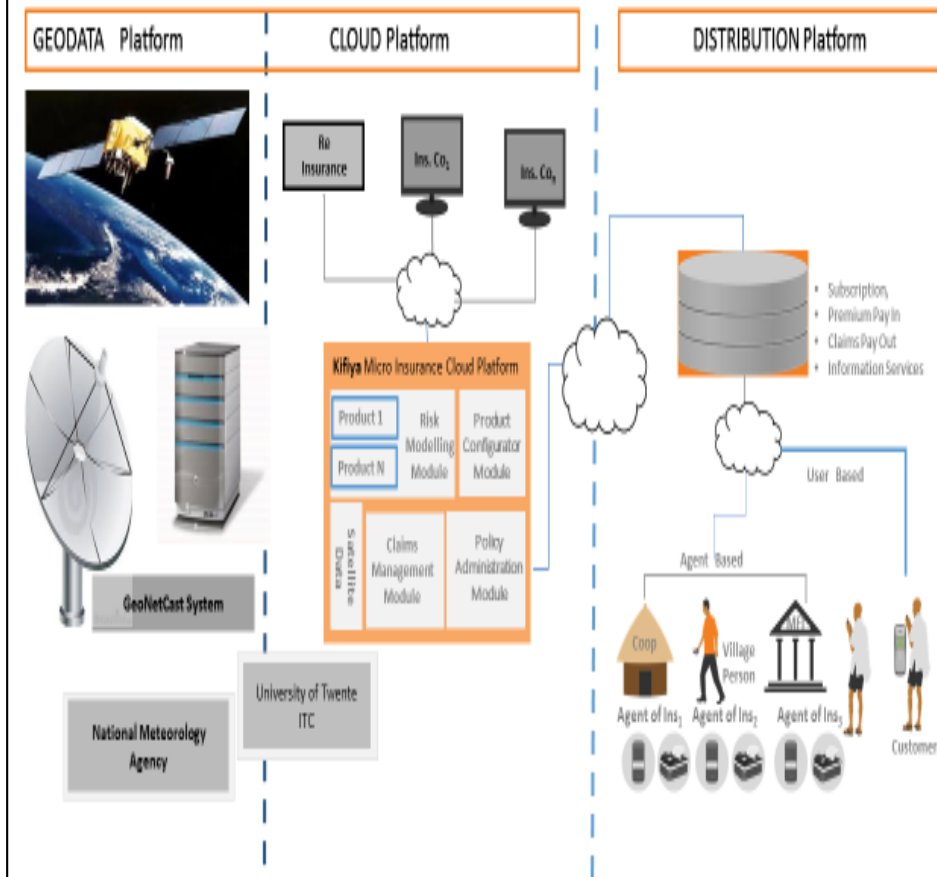
At present:

- No credit linked
- If go at scale... the business case is viable for all stakeholders

Looking at the future:

- ATA and Ministry of Agriculture will be the product owner .
- Sustainable Satellite data
- Product scale up (more perils to be designed)
- Premium subsidy
- Credit linked

## Microinsurance Technology Platforms



# Resume

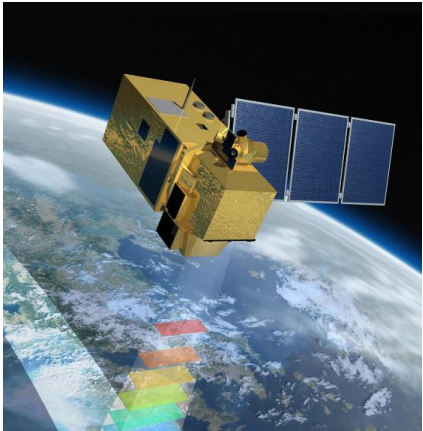
- **Most important lessons:**

1. PPP is the best for agricultural insurance
2. Intensive awareness creation/ product training is must
3. Single Peril Index (drought) only may not be sustainable.

- **Sustainability:**

- **Technically;** Yes, but
  - sustainable satellite data should be ensured.
  - Local technical capacity in managing satellite data
  - Need to add 2-3 major perils





**Thank you for your attention**

