

PRODUCT UP-SCALING SUPPORT – FACTSHEET

Product Up-scaling Support	SCBF 2016-06: Phone ergonomics for improved uptake of Acre Africa's mobile micro insurance in Kenya
Country / Region	Kenya
Partner Financial Institution/s	Acre Africa
Grantee	Syngenta Foundation for Sustainable Agriculture
Overall Budget	CHF 166,900
SCBF Contribution	CHF 123,600
Date of Approval	14.04.2016
Duration	06.2016 – 06.2018, amended to 09.2016 – 09.2018
Context	<p>The introduction of risk mitigation tools relevant to smallholder farmers is a priority of the Kenyan government, thereby a key priority of the Ministry of Finance. In 2014, the government of Kenya, three local commercial banks and Agricultural Finance Corporation (AFC) signed a risk sharing agreement to support smallholder farmers. According to Kenya's Vision 30 plan, Kenya will raise incomes in agriculture, livestock and fisheries even as industrial production and the service sector expand. This will be done by processing and thereby adding value to products before they reach the market.</p> <p>The Replanting Guarantee Product (RPG), an innovative weather index based insurance cover for improved inputs, will contribute to the government strategy by targeting clients who fall into the low-income category. The RPG product covers the risk of poor rainfall during the crops' germination phase that necessitates replanting.</p> <p>Acre Africa aims to reach smallholders who are using or beginning to use improved seed with the RPG. Such farmers typically farm on an average of 2 ha and purchase of improved seed which is more expensive than kept seed would be a major investment to them. On the reverse, the loss of the seed due to none germination related to adverse weather conditions would be a big setback. The target population is based in the key agricultural areas of rural Kenya.</p>
Current Status of the MFI	<p>Acre Africa, the brand name of Agriculture and Climate Risk Enterprise Ltd. (ACRE), links farmers to insurance products so that they can confidently invest in farming. Acre Africa develops insurance products and enables the linkage of these products to the agricultural value chain. Revenue comes from a margin on the insurance premium of developed products and from fees charged for advisory services. The company is registered as an insurance surveyor in Kenya, an agent in Rwanda and a micro insurance agent in Tanzania.</p> <p>Acre Africa aims to improve the successful registration levels of the RPG by farmers by improving and simplifying the phone ergonomics.</p>
Objective and Main Activities	<p>The overall aim of this project is to advance the success levels of registration for the RPG through the USSD mobile platform designed by Acre Africa and supported by local mobile network operators through:</p> <ul style="list-style-type: none"> i.) Tailoring the ergonomics of the application to improve pre-registration and registration rates of farmers i) Provision of mobile education <p>Upon project completion, Acre Africa will be in a position to increase the number of farmers who can assess the RPG insurance product by smoothening the farmer-phone interaction. The underwriting insurance company will be able to reach out to more rural clients; a population that would have otherwise not been served.</p>