

## PRODUCT UP-SCALING SUPPORT – FACTSHEET

<b>Product Up-scaling Support</b>	<b>2019-03: Upscaling agricultural climate risk insurance solutions for smallholder farmers in Sudan</b>
<b>Country / Region</b>	<b>Sudan</b>
<b>Partner Financial Institution</b>	<b>Ebdaa Bank</b>
<b>Grantee</b>	<i>Syngenta Foundation for Sustainable Agriculture (SFSA)</i>
<b>Overall Budget</b>	CHF 232'285 (36% self-contribution)
<b>SCBF Contribution</b>	<b>CHF 73'515</b> (32% SCBF funding share)
<b>AGFUND Contribution</b>	<b>CHF 73'515</b> (32% AGFUND funding share)
<b>Date of Approval</b>	23.07.2019
<b>Duration</b>	10.2019 until 04.2021
<b>Context</b>	<p>Agriculture is the main source of livelihoods in Sudan employing about 61% of the working population. Sudan faces various production and market risks with weather variability induced by climate change trends resulting in periodic and increased losses in agriculture production at the end of each farming season. Also, Sudan has one of the lowest levels of financial inclusion in Sub-Saharan Africa, with only 15.3% of Sudanese adults having a financial account in 2015, with women and the poor particularly underserved, while the insurance industry is small owing to the prevailing rate of financial illiteracy. There is a strong government commitment to promote financial inclusion, particularly through microfinance. But financial inclusion interventions have so far been fragmented and government-driven, with limited recognition of the role of the private sector.</p> <p>Smallholder farmers (SHFs) are at centre of financial exclusion and smallholder farming is also the most vulnerable to climate change as the SHFs make limited utilization of modern technologies and agricultural practices that allow for greater resilience to pests, disease, and adverse climate events, either because they are unfamiliar with them, are not available locally, or cannot afford them due to lack of capital or credit. Agricultural climate risk insurance (ACRI) can benefit them both by protecting them from adverse events and by increasing access to credit that could allow them to adopt risk-reducing technologies and practices and hence economic prosperity via agriculture development.</p>
<b>Current Status of the MFI</b>	<p>EBDAA is an MFI supporting small business entrepreneurs, particularly women. It strives to improve the social and economic status of the low-income population through providing of sustainable financial and non-financial services that meet their needs. It has a total of 21 network of branches and serves 90,000 customers of whom 60,000 are farmers with 35,000 being active smallholder farmers. EBDAA offers a range of products which include agriculture loans. SCBF capacity building will help add agriculture climate risk insurance as one of their service offerings, subsequent implementation and scale up.</p>
<b>Objective and Main Activities</b>	<p>Working with EBDAA bank and partner insurers, SFSA will design, deliver, distribute and scale a bundle of agri-microfinance (credit/inputs extended on credit), agri-microinsurance and agronomic advice forming a holistic support system that</p> <ul style="list-style-type: none"> <li>• Enhances the resilience of small farmers through climate insurance</li> <li>• Enables their graduation from poverty by reducing the risk of investments to confidently develop their farms</li> <li>• Expand financial inclusion by encouraging lenders such as EBDAA to increase agricultural lending to SHFs by enhancing their credit worthiness</li> <li>• Ensure business continuity of farmers and lenders through major natural disasters with recovery lending programs</li> </ul> <p>Some of the main activities include:</p> <ul style="list-style-type: none"> <li>• Validate and scale a sharia compliant climate risk insurance product</li> <li>• Develop and implement digital delivery/distribution channels for scaling</li> <li>• Develop and integrate digital agronomic advisory services within the bundle</li> <li>• Transfer of technical know-how capacity building of local partners</li> </ul> <p>Upon completion, the financial institution should have a scalable &amp; strengthened insurance service delivery channel, transform SHFs livelihoods through access to quality seeds, being able to invest more, hence improved productivity and incomes. The aim is to reach 45,000 SMFs with agri-insurance products by project end.</p>