

FINANCIAL EDUCATION CAMPAIGN – FACTSHEET

Financial Education Campaign	SCBF 2018-01: Awareness and Financial Education on the Relative Evapotranspiration (RE) Index Drought Insurance Product for Smallholder Farmers
Country	Uganda
Partner Institution	National Union of Coffee Agribusinesses and Farm Enterprises (NUCAFE)
Grantee	Business & Finance Consulting GmbH
Overall Budget	CHF 217,291 (32% self-contribution)
SCBF Contribution	CHF 148,171 (68% SCBF funding share)
Date of Approval	8.11.2017
Duration	01.2018 until 12.2019
Context	<p>A 2015 agricultural risk assessment study found that Uganda loses between USD 606 million and USD 804 million (2.3-3.1% of GDP) annually due to pests, diseases, post-harvest losses, price fluctuations and, especially, drought. Agricultural insurance is crucial to ensuring that smallholder farmers, who make up the majority of agricultural producers in the country, can stabilize their incomes, increase their creditworthiness and maximize business opportunities. The benefits of such services, however, are not widely known among smallholder farmers, and insurance premium costs can often be a barrier for smallholder farmers.</p> <p>Recently, the Ugandan government and insurers initiated a plan (including a 50% premium subsidy) aimed at increasing the availability, affordability and popularity of agricultural insurance in the country. As part of this effort, the Agro Insurance Consortium (AIC) in Uganda is cooperating with NUCAFE. NUCAFE is offering a newly-developed insurance product to its members. NUCAFE also allows farmers to pay their part of the premium in coffee (a few kilograms per acre). Marketing of the product has begun; however, intensifying awareness and financial education among farmers is needed to up-scale the product. A marketing and financial education campaign is needed if agricultural insurance is to become a meaningful contributor to Uganda's agricultural sector growth.</p>
Current Status of the Partner Institution	NUCAFE is a coffee farmer organization with a total of 200 member organizations, which translates into over 1 million individual coffee farmers. NUCAFE has a strong presence all over the five coffee growing regions of the country. NUCAFE works to empower coffee farming families by helping them become business-oriented farmers. In addition, NUCAFE also advocates for gender inclusiveness in the coffee value chain as well as other cross-cutting issues such as climate change measures.
Objectives and Main Activities	<p>The understanding of agricultural insurance is dependent on the overall financial literacy level of Ugandan farmers, their attitudes towards formal financial services and their financial behavior. As such, the agricultural insurance awareness campaign will also include general financial education aimed at improving farmers' financial capacities and the capacity of cooperatives and associations to provide information and continued training on agricultural insurance awareness and financial education principles.</p> <p>The campaign will be implemented over a 24-month period in 4 key phases: (1) campaign design, (2) tool development and staff training, (3) campaign pilot and implementation / launch and (4) results monitoring. By project end, 70,000 smallholder coffee farmers (including 17,000 young farmers and 17,000 female farmers) will be able to better manage business activities as well as understand the importance of savings and risk management tools (including agricultural insurance). Additionally, NUCAFE will be in a position to ensure that information sharing and trainings continue well after the project is completed.</p>