

PRODUCT UPSCALING SUPPORT – FACTSHEET

Product Upscaling Support	2020-04: Weather index insurance scale-up in Zimbabwe
Country / Region	Zimbabwe
Partner Financial Institution/s	Old Mutual Zimbabwe
Grantee	Blue Marble Microinsurance endorsed by Zurich Insurance Group
Overall Budget	CHF 306'235 (53% self-contribution)
SCBF Contribution	CHF 142'576 (47% SCBF funding share)
Date of Approval	17.06.2020
Duration	07.2020 until 06.2022
Context	<p>Zimbabwe has been severely impacted by climate change in the past few years, including two droughts driven by El Niño events in the 2015/2016 and 2019/2020 seasons. The latter left half of the population, nearly 8 million Zimbabweans, food insecure. In addition, 70% of the country's adult population is estimated to be uninsured.</p> <p>To tackle these challenges, the Reserve Bank of Zimbabwe launched in 2016 the National Financial Inclusion Strategy with the aim to have an inclusive financial system. In the agriculture sector, the government of Zimbabwe launched in 2016 the Targeted Command Agriculture Programme, a state sponsored contract farming scheme.</p> <p>In parallel to these efforts, Blue Marble Microinsurance and Old Mutual Zimbabwe have developed an innovative weather index insurance product to offer protection against drought and excess rainfall for smallholder farmers across a wide variety of crops. The product, called Ruzhowa/Uthango (meaning protection in Shona and Ndebele), has been piloted successfully and is ready to be scaled-up nationally. SCBF's support will be instrumental in helping the partners overcome the challenges to scale-up the insurance product.</p>
Current Status of the MFI	<p>Blue Marble Microinsurance is a social enterprise owned equally by eight insurance entities with a mission of providing socially impactful, commercially viable insurance protection to the financially underserved. Blue Marble has co-developed insurance products with farmers and insurers in Zimbabwe and Colombia.</p> <p>Old Mutual Zimbabwe is an integrated Financial services provider and the leading short-term insurer by market share as well as capitalization in Zimbabwe. It has a clear financial inclusion strategy to foster financial inclusion by providing microinsurance to marginalized communities.</p>
Objective and Main Activities	<p>The scale-up of Ruzhowa/Uthango intends to impact smallholder farmers by stabilizing their incomes and enabling their access to capital by de-risking their value-chains.</p> <p>The scale-up plan key activities will be to:</p> <ol style="list-style-type: none"> 1. Support in the customization of the product and its distribution to enable its scale up: Customizing the solution by crop, seed, soil and farming practice to meet the needs of each selected distributor's farmers, in particular by customizing the product to cover cotton and coffee working with two large agribusinesses 2. Digitize key steps in the insurance value-chain to enable the scale up of the venture and build its resilience against external shocks <p>The partners aim to serve at least at least 10,000 farmers by the project completion.</p>