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**AGRICULTURE AND CLIMATE  
RISK ENTERPRISE (ACRE)**

**Kilimo Salama—Kenya,  
Rwanda, Tanzania**

**GLOBAL INDEX  
INSURANCE FACILITY**

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# PARTNER PROFILES

<b>Country</b>	Kenya, Rwanda, Tanzania
<b>Market launch</b>	2009
<b>Clients</b>	187,467 farmers (2013 - Kenya: 67,607; Rwanda: 115,550; Tanzania: 4,310)
<b>Partners</b>	<b>Insurers:</b> UAP Insurance (Kenya), SORAS Insurance (Rwanda), Century UAP (Tanzania) <b>Reinsurers:</b> Swiss Re, Africa Re Delivery Channels: Agribusinesses, MFIs, NGOs, input suppliers
<b>Products</b>	Weather index, area yield index, and satellite-based index insurance
<b>Insured Crops/Livestock</b>	Maize, beans, wheat, sorghum, coffee, potatoes, livestock [indexes designed for tea, horticulture sunflowers, and soybeans but currently no clients for these products]
<b>Insured Perils</b>	Drought, excess rain, and diseases [livestock insurance being piloted]
<b>Total Insurance Portfolio (total sums insured)</b>	\$12.3 million (sums insured 2013)
<b>Insurance Payouts</b>	\$370,405 (2013)
<b>Average Cost of Insurance</b>	5 - 25% of value of insured inputs or harvest
<b>Development Impact</b>	<ul style="list-style-type: none"> <li>■ <b>Increased investment and earnings:</b> ACRE insured farmers invested 19% more and earned 16% more than neighboring uninsured counterparts (2012 impact study).</li> <li>■ <b>Increased access to finance:</b> 97% of the farmers insured by ACRE in 2013 received loans linked to the insurance: 177,782 farmers received \$8.4 million in financing in part due to ACRE's index insurance products.(2012)</li> </ul>
<b>Background</b>	<p>ACRE is the largest agricultural insurance program in Kenya - and Africa – and the first agricultural insurance program worldwide to reach smallholders using mobile technologies. Farmers can “try out insurance” by insuring as little as one bag of seed. Insuring one acre of maize against drought costs a farmer ≈ 37 USD, or 10% of harvest value. Any payout is transferred to the farmer’s “mobile phone wallet” at the end of the season.</p> <p>In Kenya and Rwanda, where more than 96 per cent of agricultural land is rain-fed and vulnerable to drought and erratic rain, mitigating weather-related risks for smallholder farmers is an important tool for unlocking credit.</p>
<b>Project Description</b>	The Syngenta Foundation for Sustainable Agriculture launched ACRE in June, 2014, a commercial company created to advise on protection for African smallholders. The Agriculture and Climate Risk Enterprise (ACRE) will continue the Foundation's drive with 'Kilimo Salama' to reduce the burden of weather and other risks for small farmers.
<b>Success Factors</b>	<p>The key to success has been offering a holistic solution to mitigate weather risks, not just insurance. Our profound understanding of agricultural risk enables us to develop customized insurance products using mobile technology, bundled with agricultural advisory services, weather data, local access to quality inputs, and input credit. Our products have allowed credit institutions to enter agricultural lending by mitigating weather-related repayment risk.</p> <p>ACRE's team of 30 local and international specialists models crop risks, develops crop indices, manages climate data, develops insurance products, educates farmers, and creates distribution channels for the insurance. A major success factor for ACRE has been this knowledge hub of experts located in Nairobi, Kenya.</p>
<b>Challenges</b>	<p>The differing insurance regulatory environment in each country presents a challenge for setting up index insurance markets. Laws and regulations on the role of agricultural insurance service providers and allowable fee percentages vary by country. New partnerships need to be set up in each country, including government institutions, farmer aggregators, and insurance companies who carry part of the risk.</p> <p>The greatest barrier to expansion is access to reliable long-term data to base agricultural insurance indices on. For our index insurance to be affordable and accurate, 10-20 years of historical rainfall or yield data is required. Collecting, verifying, and analyzing this data is the most time consuming process in product development. Where such data is not available, ACRE is investing in cutting edge satellite data and testing analysis techniques to generate the most accurate proxy for the farmer experience.</p>
<b>Opportunities</b>	The Agriculture and Climate Risk Enterprise (ACRE), a private commercial company launched by The Syngenta Foundation in June, 2014, has taken over all of Syngenta's operations in East Africa.
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