



For more information please contact:

Kilimo Salama: Nila Uthayakumar +254 733500145/ nila@kilimosalama.com

SORAS: ovia1979@yahoo.com

Swiss Re Corporate Solutions: christina_ulardic@swissre.com

Syngenta Foundation: paul.castle@syngenta.com

MINAGRI: raphael.rurangwa@gmail.com

One Acre Fund | Tubura: cor.oudes@oneacrefund.org

FOR IMMEDIATE RELEASE

New Agricultural Insurance Compensates 1,600 Farmers in Southern Rwanda Following Drought

Farmers in Huye Receive First Payouts

KIGALI, RWANDA (04 December 2012)—Over 1,600 farmers in the Huye district of southern Rwanda have received a payout from an innovative micro-insurance initiative called “Hinga Urishingiwe” or “Protected Farming” in Kinyarwanda. The money compensated the smallholders for decreased yields resulting from drought. One Acre Fund distributed the payout to bean farmers after the Ministry of Agriculture and Animal Resources (MINAGRI) confirmed the local loss in yields.

“For the first time in Rwanda, smallholder farmers have been compensated for their losses following drought. We at the Ministry look forward to seeing the continued results of the insurance program. I believe the payout is evidence that the program can bring a stability to smallholder farming that previously did not exist,” said Dr. Agnes Kalibata, Minister of Agriculture and Animal Resources.

The program offers farmers insurance bundled with loans provided by One Acre Fund for fertilizer and other inputs. A total of 13,000 Rwandan farmers had their loans insured during the second season of 2012 on the basis of an area yield index. After drought cut farmers’ bean yields by nearly 50%, One Acre Fund distributed the payout to farmers as general reduction of their debt. Farmers who had already fully repaid their loans received cash. Depending on the loan repayment outstanding, 800 farmers received a payout, or a combination of debt forgiveness and a payout together. The other 800 received just debt forgiveness. On average farmers received the equivalent of 3.76 USD.

The payouts were triggered when the statistics department of MINAGRI verified a fall in bean yields, and funds were disbursed by local Rwandan insurer SORAS. Benjamin Mbundi, CEO of SORAS said, “SORAS is proud to contribute to the development of our country and we believe insurance can give farmers the comfort to grow.”

Eric Pohlman, Country Director of One Acre Fund Rwanda - Tubura said, “We’re thrilled that our innovative insurance program was able to help over 1,600 households in Huye during the 2012 drought. The farmer payout this month is a great short-term victory. The long-term win will come in future seasons as farmers with drought protection demonstrate more confidence and make larger investments in agriculture.”

Marco Ferroni, Executive Director of the Syngenta Foundation for Sustainable Agriculture, emphasizes the importance of those investments. “Smallholders’ yields in Rwanda, as elsewhere, lag seriously behind their potential. By shifting the burden of risk from farmers’ shoulders, insurance enables them to afford yield-raising inputs, year after year.”

The insurance program, launched in Rwanda earlier in 2012, offers smallholder maize and bean growers protection for their loans for high-yielding seeds, fertilizers, and other farm inputs. The use of yield and weather indices to calculate harvest damage keeps administration costs low. This enables smallholders with as little as a tenth of a hectare to afford the insurance. The initiative is a partnership between MINAGRI, One Acre Fund, the Syngenta Foundation for Sustainable Agriculture, SORAS Insurance in Rwanda, and Swiss Re Corporate Solutions.

Bernardine, a beneficiary farmer whose debt was reduced, described how she feels with insurance, “I am really proud of my insurance! I was not expecting to have my debt reduced like it is now. Farmers in my group are happy too. Those who were remaining with little money received payment from the insurance, which is a surprise for us. We are so thankful for this.”

###

MINAGRI is the Rwandan Ministry of Agriculture and Animal Resources. MINAGRI is Kilimo Salama’s partner in implementing agricultural insurance for smallholder farmers in Rwanda. Stakeholders in a meeting facilitated by MINAGRI agreed on naming this insurance product “Hinga Urishingiwe.” The ministry also supplies distributing partner One Acre Fund with improved inputs.

One Acre Fund | Tubura serves subsistence farmers, who make up 75 percent of the world’s poor. It provides farmers with a “market bundle” of services – including farm inputs, finance, education, and market facilitation – and is repaid for those services. One Acre Fund is Kilimo Salama’s distribution partner for the insurance. One Acre Fund currently serves 135,000 farm families in Kenya, Rwanda, and Burundi, with more than 540,000 beneficiaries living in those families. Founded only six years ago, One Acre Fund has been recognized by prestigious early-stage grant makers such as the Echoing Green, Draper Richards, and Skoll Foundations. In 2010 and 2011, One Acre Fund received the FT/IFC Sustainable Finance Award for Achievement in Basic Needs Financing. <http://www.oneacrefund.org>

The Syngenta Foundation for Sustainable Agriculture is a non-profit organization based in Basel, Switzerland whose mission is to create value for resource-poor small farmers in developing countries through innovation in sustainable agriculture and the activation of value chains. SFSA’s two-pronged approach aims to improve livelihoods by raising agricultural productivity and linking farmers to markets. The Syngenta Foundation’s Kilimo Salama project is an insurance initiative that was first launched in 2010 in Kenya. Kilimo Salama is funded by SFSA and receives financial support from the IFC-led Global Index Insurance Facility (GIIF). For more information, please visit: <http://www.syngentafoundation.org/>.

SORAS Insurance Company is one of the leading insurance and financial services companies in East Africa, with headquarters in Kigali.

Swiss Re Corporate Solutions offers innovative, high-quality insurance capacity to mid-sized and large multinational corporations across the globe. Swiss Re’s offerings range from standard risk transfer covers and multi-line programs, to highly customized solutions tailored to the needs of clients. Swiss Re Corporate Solutions serves customers from over 40 offices worldwide and is backed by the financial strength of the Swiss Re Group. For more information about Swiss Re Corporate Solutions, please visit www.swissre.com/corporatesolutions or follow Swiss Re on Twitter [@SwissRe_CS](https://twitter.com/SwissRe_CS).