



Rwamagana Payout Factsheet, February 4th, 2014

Following a drought during the 2014 A season, 7,086 maize farmers in Bugesera, Ngoma, and Kirehe districts received insurance payouts totaling 42.1 million Rwf. The smallholder farmers had suffered crop losses due to drought hitting the region during the germination stage of the maize crop.

The innovative program offered the farmers insured agricultural input loans from Urwego Opportunity Bank and Umurenge SACCOs. MINAGRI supplied the maize seed, and farmers used the loans to purchase fertilizer distributed by Importation Distribution Fertilizer (IDF, formerly ENAS).

A key development in the program was the availability of a new agricultural insurance for smallholder farmers. SORAS insurance company insured a total of over 200 million Rwf through the Syngenta Foundation’s Kilimo Salama weather index insurance project, which is being implemented in Rwanda by the support of Access to Finance Rwanda. The insurance enables lending institutions to continue lending even following droughts like the one farmers experienced this season.

The index insurance scheme offers affordable premiums through the use of breakthrough technologies, a sharp contrast to the traditional model of agricultural insurance, which relies on costly and time-consuming farm visits to verify crop losses. The new insurance estimates farmers’ losses by comparing daily rainfall measurements from satellites to the amount of rain a crop requires over a season. When drought strikes and rainfall is inadequate, the corresponding insurance payout is distributed to farmers with no claims process and no farm visits.

District	Payout (RWF)	Partner Lending Institution
Kirehe	27,947,900	Urwego Opportunity Bank
Ngoma	11,133,052	Umurenge SACCOs
Bugesera	2,991,505	Umurenge SACCOs

Program Partners

Access to Finance Rwanda (AFR) has supported initiatives to increase access to financial services for disadvantaged rural and urban people in Rwanda for three years. The team is backing the roll out of weather index insurance for farmers across the country.

MINAGRI aims to transform Rwanda’s agricultural sector from subsistence to high value, market oriented farming. The ministry is spearheading the introduction of new technologies to promote smallholders’ access to agricultural credit, quality inputs, and markets.

Syngenta Foundation for Sustainable Agriculture (SFSA) aims to create value for smallholder farmers through innovation in sustainable agriculture and the activation of value chains. SFSA’s Kilimo Salama insurance project has developed index insurance products since 2009, and reached 187,000 farmers in three countries in 2013.

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

Importation Distribution Fertilizer (IDF, formerly ENAS) imports and distributes fertilizer in northern and eastern Rwanda. ENAS was formed in 1997 as a wholesaler of agricultural produce, and since 2009 has been a service provider for MINAGRI in fertilizer distribution.