



Geodata for Innovative Agricultural Credit Insurance Schemes (GIACIS)

GIACIS is a public-private partnership aiming at expanding financial service delivery to smallholder farmers in Ethiopia with a geodata-driven risk-mitigation (insurance) product that offers a basic safety net to protect them against weather related perils.

The product will aim at insuring the credit used to purchase agricultural inputs. In combination with weather prediction services, the insured credit package will be made available locally through a digital financial services (DFS) platform.

Target user group

The product targets small-scale farmers, 80% of whom have less than 0.5ha of land, cultivating tef, wheat, barley, maize and sorghum in the rain-fed cropping areas of the 4 key-regions of Ethiopia: Oromia, Southern Nations, Nationalities, and Peoples' (SNNP), Amhara and Tigray. The 3-year target is to reach over one million smallholder farmers. The insurance product addresses the needs of Ethiopian farmers that operate at the lowest step of development as well for those that have moved up the ladder.

Business proposition

Smallholder farmers can insure a credit amount to purchase and use agricultural inputs against weather-related perils. This will protect them from risks that would harm their ability to repay credit. It enables a change from risk-averse behavior towards optimization of long-term productivity, profits and sustainability.

Kifiya will design a transaction fee structure to enable the development and delivery of the GIACIS product, through

A systematic and synergetic approach for financial inclusion, promotion of investment in agriculture, broker sustainable production methods and risk transfer tools



technology and use of their agent network. The insured credit will be part of their mobile financial services platform, bringing an increasing value-content as a cost-effective value-proposition to farmers. Kifiya has designed a financially sustainable business model, whilst keeping prices affordable for farmers.

Partnership

Partners are complementary and all-inclusive as a group:

- Applicant: ITC University of Twente (public), The Netherlands.
- Business partner: Kifiya Financial Technology PLC (private), Ethiopia.
- Corporate partners: Agricultural Transformation Agency (ATA, public), Ethiopia, National Meteorology Agency (NMA) of Ethiopia (public).
- Support partner: Swiss Re corporate solutions (private) - Switzerland.

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