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The U.S. Government's Global Hunger & Food Security Initiative



Agricultural Insurance in Uganda: Public and Private Sector Roles and Responsibilities

February 14-15, 2019

Kololo Courts Hotel | 3 Dundas Road, Lower Kololo
Kampala, Uganda



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Agricultural Insurance in Uganda: Public and Private Sector Roles and Responsibilities



Governments around the region are increasingly implementing or considering agricultural insurance as a way to protect farmers, smooth shocks, lessen reliance on aid, and bolster economic growth. But what are the best practices to realize the promise of agricultural insurance? How can pitfalls be avoided? What are the roles and responsibilities of the public and private sectors to ensure insurance products provide client value and development impact?

This two-day conference seeks to offer answers to those questions, highlight ongoing challenges and share information that will complement and add value to the agricultural insurance work already underway in Uganda. By providing an open space for researchers, government policy makers and insurance industry representatives to lay out concerns and share valuable insights into agricultural and livestock-based index insurance as a tool for development, stakeholders will have a clearer understanding of the necessary components and myriad options available to pursue index insurance safely and effectively.

The Uganda Ministry of Finance, Planning and Economic Development and the Ministry of Agriculture, Animal Industries and Fisheries in conjunction with the Feed the Future Innovation Lab for Assets and Market Access at UC Davis will facilitate discussions, guide workshops activities and provide research on how to take the appropriate steps to ensure responsible, affordable, accessible, and valuable products.

The event will also draw expertise and experience from around the region, in particular, highlighting Kenya's government-level scaling of index-based agricultural insurance, as well the insurance implementation trajectories in Ghana and Mozambique.

AGENDA

February 14, 2019

8:30 – 9 am Registration and Coffee

9 – 9:30 Welcome and Introductions

*Ministry of Finance, Planning, and Economic Development
(TBC)*

Sheila Desai, Director, Economic Growth Office, USAID

9:30 – 10:00 What's all the Buzz about Agricultural Index Insurance?

This session will provide an overview of the basics of agricultural insurance and discuss how this development tool has the potential to bolster the livelihoods of farmers and pastoralists around the continent.

Presenter: Tara Chiu, AMA Innovation Lab

10 – 10:30 Global Evidence on the Impacts of Index Insurance

In this session we consider the evidence on the positive impacts of index insurance programs and highlight what elements contributed to their success.

Presenter: Michael Carter, AMA Innovation Lab

10:30 – 10:45 Coffee and Tea Break

10:45 – 12:30 The State of Agricultural Index Insurance in Uganda: Challenges and Opportunities

This panel will share insights and successes as well as challenges to the growth of agricultural index insurance in Uganda from a diversity of perspectives.

Session Chair and Discussion Leader: Paul Kavuma, Chair of the Agricultural Insurance Technical Working Committee

Panel Discussion:

- *Musa Lukwago, Ministry of Finance*
- *Munyaradzi Daka, Agricultural Insurance Consortium*
- *Charles Mukama, MAAIF*

- *One Acre Fund (TBC)*
- *Cynthia Ayero, Insurance Regulatory Authority of Uganda*

12:30 – 1:30 Lunch

1:30 – 2:30 Index Insurance Implementation: The Role of Government

Following an overview of the public sector's role in agricultural index insurance implementation, representatives from East and West Africa will provide their insights on the role of government buy-in and scaling for agricultural index insurance.

Session Chair and Discussion Leader: Musa Lukwago, AIC

Panel Discussion:

- *Tara Chiu, AMA Innovation Lab*
- *Tom Dienya, Director, Kenya Crop Insurance Program, Ministry of Agriculture, Livestock and Fisheries*
- *Ali Katu, Ghana Agricultural Insurance Pool*

2:30 – 3:30 Index Insurance Implementation: Innovative Roles of Private Sector & Non-governmental Actors

This session will bring in experience from around the continent, including Kenya's well-developed livestock insurance program, Mozambique's new efforts to launch index insurance for several activities and innovative GIS & remote sensing resources.

Session Chair and Discussion Leader: Munyaradzi Daka, MOFPED

Panel Discussion:

- *Hassan Bashir, Board Member & Former CEO of Takaful Insurance Africa and Association of Kenya Insurers*
- *Israel Muchena, Director of Agricultural Insurance, Hollard Insurance, Mozambique*
- *Lilian Ndungu, Regional Centre for Mapping Resources for Development*

3:30 – 3:45 Coffee/Tea Break

3:45 – 5 Importance of Quality Contract Design

This session will be an interactive hands-on opportunity to participate in a tablet-based simulation game, which enables players to better understand how agricultural index insurance works and experience how quality impacts outcomes for smallholder agriculturalists. We will review the results of the game with a discussion about impacts of poor-quality insurance and the common stake in quality agricultural index insurance for all stakeholders.

Game Facilitators & Speakers: Tara Chiu & Michael Carter, AMA Innovation Lab

5 – 5:15 Conclusions and the Agenda for Tomorrow

5:15 – 6:30 Informal Networking Hour

February 15, 2019

8:30 – 9 am Registration and Coffee

9 – 10:30 The Economics of Contract Quality, Part 1: Perfect Insurance

- The insurance problem & trade offs
- An economic approach to valuing insurance
- A Minimum Quality Standard (MQS) for Insurance
- MQS in the presence of premium subsidies

Session Leader: Michael Carter, AMA Innovation Lab

10:30 – 11:00 Coffee/Tea Break

11 – 12:30 The Economics of Contract Quality, Part 2: Imperfect Index Insurance

- Sources of uncompensated losses under index insurance: design risk and idiosyncratic risk

- Area yield & predicted area yield versus rainfall & other partial insurance indices
- Applying MQS to index insurance: an example from the field

Session Leaders: Tara Chiu & Michael Carter, AMA Innovation Lab

12:30 – 1:30 Lunch

1:30 – 3 Hands-on Exercises Using the MQS Spreadsheet Tool

- Introduction to the MQS Spreadsheet and how to use it
- Demonstrations of applications of MQS
- Using the MQS tool with real farmer data

Session Leader: Elinor Benami, AMA Innovation Lab

3 – 3:30 Coffee/Tea Break

3:30 – 5 Insurance Contract Design to Meet MQS

- Data collection for contract design
- Cutting-edge contract design using satellite data & machine learning
 - Resolution
 - Crop masking
 - Planting date detection
 - Biomass growth & yield estimation
- Failsafe audits & other institutional tools

Session Leaders: Michael Carter & Elinor Benami, AMA Innovation Lab, and Lilian Ndungu, RCMRD

5 – 5:15 Closing Remarks



**ABOUT THE FEED THE
FUTURE INNOVATION
LAB FOR ASSETS &
MARKET ACCESS AT
UC DAVIS**

The AMA Innovation Lab mission is to conduct and support research on policies and programs designed to help poor and smallholder farmers worldwide to manage risk, adopt productive technologies and take an active part in economic growth.

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