



Assessing the impact of agricultural risk insurance programmes on smallholder farmers

Why we need more evidence

Agriculture is a major source of livelihood for rural populations in low- and lower-middle income countries. Farmers, however face a number of risks, including the risk of crop and livestock loss.

Smallholder farmers are particularly vulnerable as they do not have the resources to take preventive measures or absorb shocks. They modify their livelihoods to mitigate risks by choosing low-risk but low-return crops and technologies or sell off productive assets, reduce investments and borrow at high interest rates to cope with shocks, leading to further indebtedness and poverty.

Agricultural insurance could provide smallholder farmers a much-needed safety net by enabling them to transfer risks to a third party. There is, however limited evidence on the impact of agriculture insurance. This programme funds studies that examine the effectiveness of a variety of innovative agricultural insurance interventions in improving farmers' well-being.

Key features of the evaluation programme

Number of grants	14 formative and process evaluations, and 5-6 impact evaluations
Timeline	August 2015 to June 2023
Funder	UK Department for International Development (DFID)
Research management	International Initiative for Impact Evaluation (3ie)
Total grant amount	GBP 4.5 million

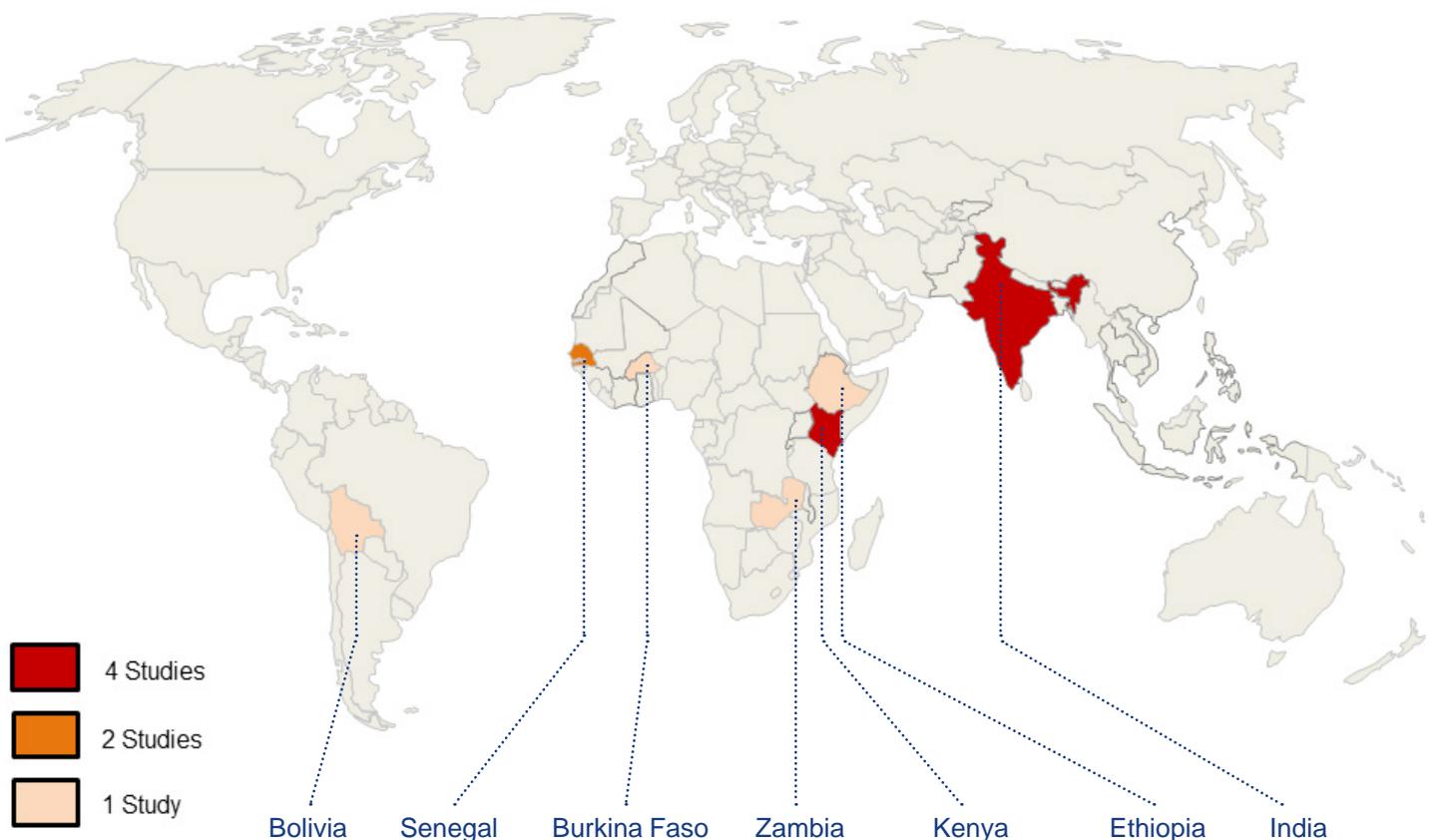
Programme objectives

- Address the gaps in the understanding of what works, what does not, for whom, how and why in mitigating risks for smallholder farmers.
- Generate policy-relevant evidence on factors that affect successful implementation and uptake of agricultural insurance interventions and inform potential scale up.
- Increase high-quality evidence on the effectiveness of agricultural insurance in reducing, mitigating and transferring risks faced by smallholder farmers.

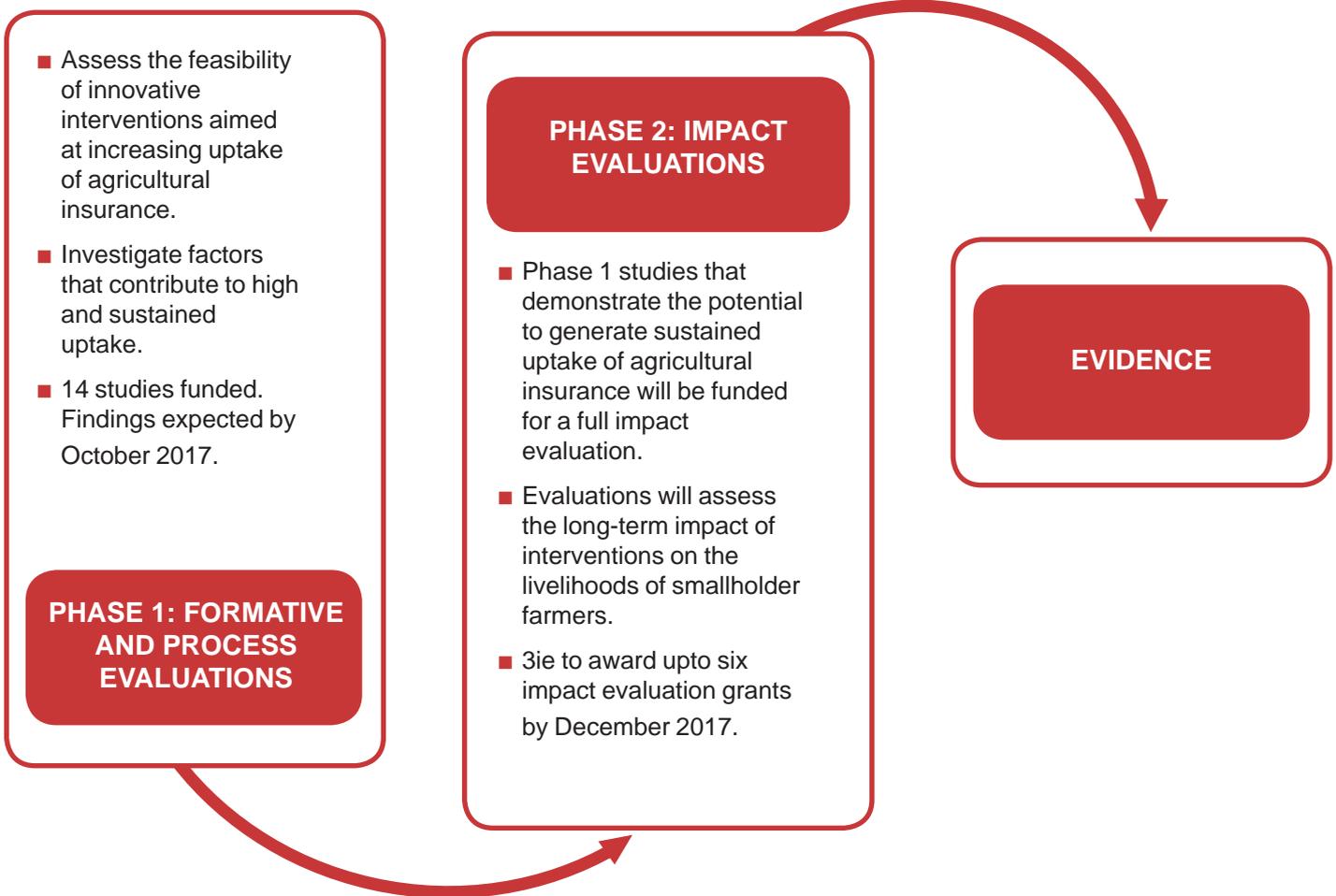


LWR / Jake Lyell

Low- and lower-middle income countries with ongoing evaluations



Structure of the agricultural insurance evaluation programme



Phase 1 portfolio

Interventions	Title	Country
Insurance bundled with credit and other input services	Evaluation of innovative insurance-embedded credit for promoting resilience and livelihoods for smallholder maize and wheat farmers	Kenya
	Evaluation of different product bundling methods on take up of crop index insurance	Senegal
Technology-based interventions	Evaluation of gamified m-Learning to address the challenges in training microinsurance agents	Kenya
	Reducing basis risk through picture-based insurance	India
	Evaluation of a mobile application-based livestock insurance scheme	India
	Increasing take up for a top-up in a mobile-based insurance product	Kenya
Innovative insurance delivery mechanisms	Enhancing access to weather index-based agricultural insurance	Burkina Faso
	Improving trust and relaxing credit constraints to improve uptake of weather insurance	Ethiopia
	Assessment of community-based crop microinsurance for climate-related risks for smallholder farmers and marginalised communities	India
	Increasing uptake of weather index-based insurance by lowering risk and improving farmer understanding	Kenya
Large-scale government insurance programmes	Understanding the potential of the Pradhan Mantri Fasal Bima Yojana (Prime Minister's Crop Insurance Scheme)	India
	Introducing risk management tools in a large-scale agricultural development programme	Senegal
	Learning from a publicly subsidised agricultural insurance	Bolivia
	Assessment of agricultural insurance linked to contract farming and government subsidy scheme	Zambia

The International Initiative for Impact Evaluation (3ie) is an international grant-making NGO promoting evidence-informed development policies and programmes. We are the global leader in funding, producing and synthesising high-quality evidence of what works, for whom, why and at what cost. We believe that high-quality and policy-relevant evidence will help make development more effective and improve people's lives.

For further information, please visit the 3ie website or email us at tw13@3ieimpact.org. For questions on partnership, please contact Rosaine Yegbemey, evaluation specialist at ryegbemey@3ieimpact.org and Stuti Tripathi, senior policy and evidence uptake officer at stripathi@3ieimpact.org

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