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## MicroEnsure wins FT Sustainable Banking Award 2009

MicroEnsure, the world's first insurance intermediary for the poor, has won the FT Sustainable Banking Award in Achievement in Basic Needs Financing. The awards, organised by the Financial Times and IFC, a member of the World Bank Group, were announced at a ceremony in London on 4 June attended by more than 250 senior bankers and decision makers in the field of sustainability.

MicroEnsure was selected from 165 entries from 117 institutions in 42 countries entered in five award categories. The judges in the Achievement in Basic Needs Financing category were looking for innovative programmes with significant social, environmental, and financial benefits that can be replicated in the developing world.

The MicroEnsure submission was based on its pioneering development of weather index crop insurance in sub-Saharan Africa and Asia. 70% of the global poor are rural and agriculture is a mainstay of rural livelihoods. Smallholder farmers in the developing world often find it difficult or impossible to access credit because lenders view them as too high risk. Weather index crop insurance provides a safety net that protects farmers from the financial risks associated with adverse weather conditions such as drought, excess water, or even typhoons. But it has the benefit of enabling secure extension of credit for the purchase of quality farm inputs such as drought-resistant seed and fertilizer.

The mechanism is very simple, easy to administer, and has an automatic payout process that makes it appropriate and affordable for poor farmers. With improved farm inputs, farmers achieve higher yields, often 200% plus, higher incomes, diversification into cash crops, and non-crop revenue streams.

There are also social benefits including higher living standards, opportunities for saving, and better education. MicroEnsure has piloted crop insurance schemes in Malawi, Tanzania, Rwanda, India, and the Philippines, covering a variety of crops including rice, maize, and tomatoes. The aim now is to continue geographical expansion, cover a wider range of crops, and achieve significant global scale.

## ENDS

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