

Introduction

Agriculture in Northern Ghana faces mounting climate risks, limited input access, and persistent productivity challenges. As part of the COINS project, we explored how agricultural insurance can drive the adoption of Integrated Soil Fertility Management (ISFM) — particularly minimum tillage and drought-tolerant seeds.



Objective

To pilot insurance-linked incentives that promote climate-smart practices, thereby reducing production risk and enhancing sustainability in smallholder farming systems

Methodology & Approach

- Field engagements in Tamale and Savelugu (Oct 2024)
- Collaboration with local stakeholders: farmers, input suppliers, insurers
- Design of insurance bundles tied to SI practices (e.g., minimum tillage, certified seeds)
- Inclusion of gender-intentional participatory workshops



LEVERAGING AGRICULTURAL INSURANCE TO INCENTIVIZE CLIMATE-SMART FARMING IN NORTHERN GHANA

Insights from the COINS Project – Sustainable Land Management in Sub-Saharan Africa

ACRE'S ROLE: TIER 2 - INCENTIVISING

1. Linking insurance with SI practices such as minimum tillage and drought-tolerant seeds
2. To explore risk-adjusted premium incentives for farmers adopting these practices
3. To Contribute expertise in bundled insurance product development
4. Engage with local suppliers to pilot input-insurance integration models
5. Provided insights into credit-linked insurance to reduce upfront barriers



Key Findings

| Climate-Smart Practice | Risk Reduction | Insurance Incentive |
|-------------------------|--------------------------------------|---------------------------|
| Minimum Tillage | Improved soil moisture, less erosion | Premium discounts |
| Drought-Tolerant Seeds | Higher yield under erratic rain | Cashback / lower premiums |
| Certified Inputs (ISFM) | More resilient crops | Bundled with insurance |

Challenges

- Low affordability of ISFM inputs
- Limited willingness to pay for insurance
- Gender-specific constraints (e.g., women's access to finance & machinery)

Recommendations

- Use blended finance and subsidies to lower adoption costs
- Expand digital advisory services for women and youth
- Establish demo plots and farmer learning exchanges
- Strengthen partner engagement with input suppliers and MFIs



Conclusion

Insurance can be more than a safety net, it can be a strategic enabler for climate resilience. By rewarding climate-smart behavior, ACRE Africa can align risk management with sustainable land management, building trust, adoption, and long-term resilience in vulnerable communities.



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