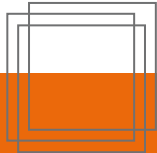


Annual Report 20 16

THE ILO'S IMPACT
INSURANCE FACILITY



Annual
Report
**20
16**



THE ILO'S IMPACT
INSURANCE FACILITY



Copyright © International Labour Organization 2016

First published 2017

Publications of the International Labour Office enjoy copyright under Protocol 2 of the Universal Copyright Convention. Nevertheless, short excerpts from them may be reproduced without authorization, on condition that the source is indicated. For rights of reproduction or translation, application should be made to ILO Publications (Rights and Permissions), International Labour Office, CH-1211 Geneva 22, Switzerland, or by email: pubdroit@ilo.org. The International Labour Office welcomes such applications.

Libraries, institutions and other users registered with reproduction rights organizations may make copies in accordance with the licences issued to them for this purpose. Visit www.ifro.org to find the reproduction rights organization in your country.

Annual Report 2016 / International Labour Office - Geneva: ILO, 2017

ISBN English (print) 978-92-2-130478-4

ISBN English (web pdf) 978-92-2-130477-7

International Labour Office

Also available in French, *Rapport annuel 2016* (ISBN 978-92-2-231248-1), Geneva, 2017,
and Spanish, *Informe anual 2016* (ISBN 978-92-2-331343-2), Geneva, 2017.

ILO Cataloguing in Publication Data

The designations employed in ILO publications, which are in conformity with United Nations practice, and the presentation of material therein do not imply the expression of any opinion whatsoever on the part of the ILO concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers.

The responsibility for opinions expressed in signed articles, studies and other contributions rests solely with their authors, and publication does not constitute an endorsement by the ILO of the opinions expressed in them.

Reference to names of firms and commercial products and processes does not imply their endorsement by the ILO, and any failure to mention a particular firm, commercial product or process is not a sign of disapproval.

ILO publications can be obtained through major booksellers or ILO local offices in many countries, or direct from ILO Publications, International Labour Office, CH-1211 Geneva 22, Switzerland. Catalogues or lists of new publications are available free of charge from the above address, or by email: pubvente@ilo.org

Visit our website: www.ilo.org/publns

Photo Cover: © Le Minh Quoc

Printed in Switzerland

This publication was produced by the Document and Publications Production,
Printing and Distribution Branch (PRODOC) of the ILO.

***Graphic and typographic design, layout and composition,
printing, electronic publishing and distribution.***

PRODOC endeavours to use paper sourced from forests managed
in an environmentally sustainable and socially responsible manner.

Code: CHD-REPRO-DISTR

CONTENTS

PREFACE	1
OUR STRATEGY TO CREATE IMPACT	2
HIGHLIGHTS 2016	4
MEASURING OUR PROGRESS	5
1 LESSONS LEARNED IN 2016	6
2 DRIVING INNOVATION	10
3 UNLOCKING CAPACITY	19
4 ACCELERATING THE DEVELOPMENT OF INCLUSIVE INSURANCE MARKETS	26
COMING UP IN 2017	34
FUNDERS AND PARTNERS	36
ACRONYMS AND ABBREVIATIONS	38
ANNEXES	39
THE ILO'S IMPACT INSURANCE FACILITY TEAM	42



PREFACE

The year 2016 was a remarkable year for the ILO's Impact Insurance Facility as we were able to instigate **eleven new innovation projects** in sub-Saharan Africa as part of our research and innovation initiative, with support from AFD and FSDA. These exciting projects, outlined on pages 12-13, will enable us to continue to push the frontiers of insurance and test ways in which insurance can live up to its development potential. These innovations include efforts to integrate insurance into supply chains, strengthen public-private partnerships, and use technology to increase scale and efficiency – all promising solutions to enhance the impact of insurance and benefit both individuals and society.

To support these innovation projects, we are extremely fortunate to have a new batch of **Impact Insurance Fellows**. Fellows are responsible for supporting their host company to implement the project, while concurrently documenting the emerging lessons and experiences. Through this initiative, we envisage three tangible outcomes; (1) successful insurance innovations contributing to development objectives; (2) valuable lessons learned that are widely shared with relevant stakeholders; and (3) a new cadre of impact insurance experts.

We remain committed to learning and sharing, and have stepped up our activities in this area through proactive and sustainable **capacity-building** work (see pages 19-25). In 2016, together with five local insurance institutes, we offered 16 courses attended by more than 400 participants, while supporting more than 40 local trainers to become certified to offer the content in the future. Last year we also developed four new modules on key topics such as index insurance and providing insurance responsibly.



Of our three initiatives, we had less success in accelerating **market development** in 2016, largely due to funding limitations. That said, we were still able to develop some new tools and resources that could prove to be important in the future. These focus on responsible insurance, consumer protection and client value.

Overall, the activities described in the following pages reflect a programme that is contributing significant value to enterprises and low-income workers around the world. Our modus operandi is to test, learn, document and disseminate, promoting good practices while identifying common problems that insurers and distribution channels encounter when serving new market segments. This reflects a work in progress, although much progress has indeed been achieved thus far.

CRAIG CHURCHILL
Team Leader
ILO's Impact Insurance Facility

OUR STRATEGY TO CREATE IMPACT

THREE INTER-LINKED INITIATIVES

MARKET DEVELOPMENT

Accelerate development of inclusive insurance markets and leverage impact insurance to achieve public policy objectives 

Multi-stakeholder coordination

Creating demand through building trust and consumer education

Strengthening supply through “challenge” funds, training and technical assistance

Enabling environment through regulation, PPPs and industry-wide collaboration



KNOWLEDGE AND CAPACITY-BUILDING

Translate knowledge into practical solutions, act as a global knowledge hub and build capacity of key stakeholders 

Practice-based training curriculum and tools

Sustainable capacity-building infrastructure: global executive programme, e-learning, partnerships with local and regional training institutes

Peer-to-peer learning and communities of practice

Largest resource centre on impact insurance



RESEARCH AND INNOVATION

Learn and innovate with key players to push the frontiers of impact insurance 

Innovation Labs with leading providers

Focused evaluations

Partnerships with think-tanks

Impact studies with academics

GUIDING PRINCIPLES

SUCCESS INDICATORS

GOALS

LEADERSHIP IN
CONSUMER-
CENTRIC
SOLUTIONS



Reached scale



Ensured client value



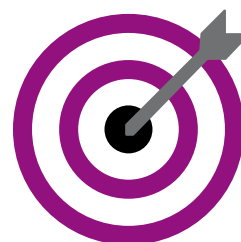
Improved practice



Shared solutions



Developed markets



REALIZE THE POTENTIAL
OF INSURANCE TO...



...REDUCE HOUSEHOLD
VULNERABILITY



...PROMOTE STRONGER
ENTERPRISES



...ACHIEVE PUBLIC POLICY
OBJECTIVES (e.g. UNIVERSAL
HEALTH COVERAGE, FOOD
SECURITY, RESILIENCE TO
CLIMATE CHANGE)

...THROUGH BUILDING
HIGH-QUALITY
RISK MANAGEMENT
SOLUTIONS AT GREATER
SCALE TOGETHER WITH...



INSURERS



DISTRIBUTORS



POLICY-MAKERS



REGULATORS



INSURANCE ASSOCIATIONS



CIVIL SOCIETY GROUPS



ACADEMICS

HIGHLIGHTS 2016



Launch of eleven new projects in sub-Saharan Africa under our research and innovation initiative through our collaboration with the Agence Française de Développement and Financial Sector Deepening Africa

Re-launch of our fellowship programme and placement of nine fellows to support our innovation projects on the ground



Continued action to build the capacity of insurers and their partners through 15 courses and 10 other knowledge events

Systematic creation of regional capacity-building infrastructure with five renowned insurance schools



New metrics and tools to promote customer-centred approach

New training course to promote responsible insurance at the industry level



Testing new industry-wide solutions to educate farmers cost-effectively on index insurance products

Effective Communities of Practice: Global Action Network (GAN) on agriculture insurance, Global Index Insurance Facility (GIIF) Index Insurance Forum, community of innovators and Innovation Forum at 12th Microinsurance Conference



MEASURING OUR PROGRESS

During 2016 we have achieved impressive results with impact insurance professionals and the clients they serve.



Reached scale

Reaching
258,000
beneficiaries

Reached more than 258,000 beneficiaries

In 2016 our active projects reached over 258,000 clients, largely in Africa. This contributes to the total of **over 3.5 million** beneficiaries reached through our projects since 2008.



Shared solutions

Sharing
cutting-edge
solutions with over
56,000
stakeholders

Shared cutting-edge solutions with over 56,000 stakeholders

Since 2008 we have reached over **288,000 stakeholders** around the world, providing them with cutting-edge solutions. This included more than 56,000 stakeholders reached in 2016 alone. Out of those reached in 2016, over **600** were reached through **direct interactions**, which included training courses, events and webinars. The remainder consisted of those reached through our website, subscribers and social media.



Improved practice

Improved the
practice of
43 organizations

Improved the practice of 43 organizations

During 2016, 43 organizations reported improvements in their practice as a result of our work with them, either through capacity building or partnering with us to implement projects. The improvements range from changes in organizational structure to the introduction of a new product, or the modification of the claims or renewal process for an existing product.

We focus on driving changes related to the most important issues facing the industry.

FIGURE 1. PEOPLE REACHED BY REGION

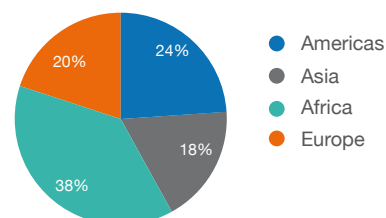


FIGURE 2. PEOPLE REACHED BY AUDIENCE TYPE

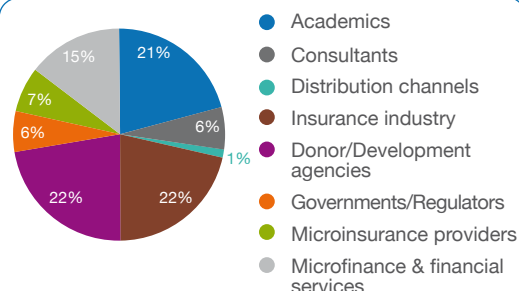


FIGURE 3. TYPES OF IMPROVEMENTS ACHIEVED

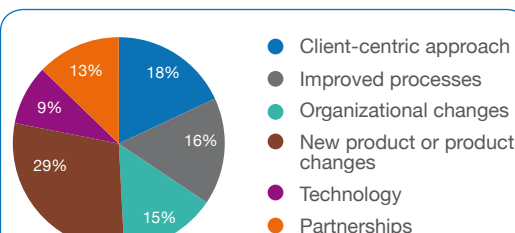
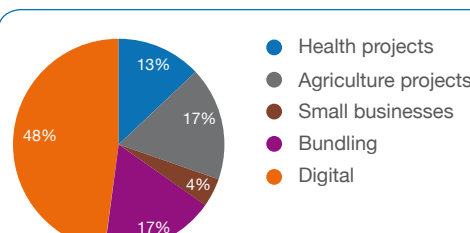


FIGURE 4. HOW THE IMPROVEMENTS WE ACHIEVED RELATE TO IMPORTANT ISSUES FOR THE INDUSTRY





1 LESSONS LEARNED IN 2016

1. How to customize insurance products for small businesses

Small businesses vary greatly and customized insurance products may seem most likely to meet their needs. Yet, when margins are relatively small, customization can prove costly. Furthermore, with little or no experience of insurance, small businesses may be put off by complexity and too much choice.

Customization should therefore be limited. One option is to divide small business clients into a few large segments based on simple metrics, common business size or geographical region, and offer a different version of a product to each segment. This is the approach taken by the Peruvian insurer Pacifico, which offers multi-

risk business insurance products to small businesses. Covers are combined in several distinct packages, designed according to business size. A more comprehensive package of covers is offered to its largest small business clients, with packages of fewer covers available to smaller businesses. So far this has proved a successful strategy, and Pacifico is able to sign up over 3,000 new small business clients a month.

Find out more about this issue in our paper [“Insurance for small businesses”](#).



2. Post offices are an under-rated distribution opportunity for insurers

With 1.5 billion people worldwide getting access to financial services through a post office, postal networks are a promising distribution channel for insurers. One particularly successful example of an insurer partnering with a postal service is the partnership between Wafa Insurance and Poste Maroc in Morocco, which reached 549,000 policies in force by 2013.

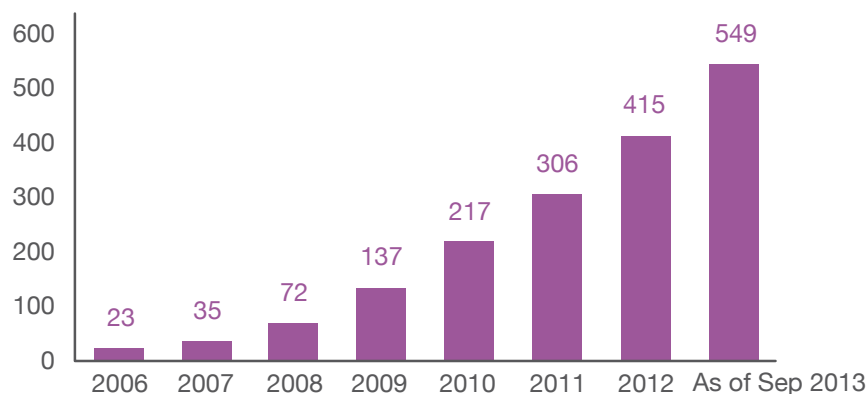
What were the keys to its success?

- During a test period from 1999 to 2003, Poste Maroc partnered with a range of insurance companies to test products in just 200 branches. This was considered a learning phase and allowed Poste Maroc to deepen its understanding of its clients' needs and of insurance, and to choose the right product and insurer.

- The insurance product received the commitment needed from Poste Maroc to make it a success, due to the organization's long-term commitment to expanding into financial services.
- Poste Maroc and Wafa Insurance structured their partnership to make the most of their respective strengths: product design, marketing and communication were carried out jointly; Poste Maroc took responsibility for sales; and Wafa Insurance provided regular support to post office branches.

To find out more about possible partnership models, success stories, and challenges, see the paper *"Advancing financial inclusion through access to insurance: the role of postal networks"*.

FIGURE 5. NUMBER OF POLICIES (THOUSANDS) IN FORCE





3. What insurers can learn from M-PESA's marketing success

As perhaps the most successful mobile money service, M-PESA is a well-documented case. One study by Global Service for Mobile Association (GSMA) shows how M-PESA's marketing messages evolved with the service. In its first major advertising campaign for M-PESA, Safaricom focused on one use for its mobile money service and one functional message – “Send money home”. While there were other uses for the service, M-PESA decided to focus on the one that they thought would resonate with most users. In time, awareness levels increased remarkably, even among non-users (with only 3 per cent of non-users unaware of the service). Safaricom therefore changed its message to an emotional and aspirational one. Its new campaign concentrated on the many emotional reasons that customers were using the M-PESA service; for example, a father paying his daughter's school fees.

Similarly, through focused market research, an insurer can determine which product feature is most valued by the majority of its customers and can focus on that feature. Say an insurer offers a hospital cash product. Focus groups might reveal that the majority of customers are worried about a particular disease, such as malaria. In this case, the advertising campaign could focus on malaria – for example, “Get paid when you get malaria” – rather than on a generic message, such as “Protect your family against illness”. A follow-up campaign can take a broader approach, highlighting how customers have used the service and benefited from the cover. As is often the case, less is more when promoting a new service.

4. Why metrics matter for customer-centricity

MetLife's management was determined to shift from its traditional product-centred approach to a customer-centred one. To bring about a dramatic shift in culture, MetLife had to change the way it measured performance and rewarded its staff. One of the most important metrics it introduced was net promoter score – a customer loyalty metric based on asking consumers the simple question: How likely is it that you would recommend us to a friend or colleague?

When MetLife first calculated their net promoter score, they found that they were faring badly in almost every country they operated in. This was a powerful wake-up call for anyone in the company who did not see the need for change.

MetLife also developed a more extensive dashboard of metrics, designed collaboratively but owned by country chief financial officers. This ownership was vital to make sure that the metrics were used and valued at the country level. The metrics targeted four key changes MetLife wanted to bring about, and it has been able to achieve impressive results in all of them, including reduced cost of service, decreased churn, enhanced revenue and earnings and improved customer experiences.

Find out more about MetLife's journey to customer-centricity in [this video of Claire Burns – Senior Vice President and Chief Customer Officer of MetLife](#).

5. An effective mix of sales tools can improve take-up for a bundled crop insurance product

Bundling insurance with other financial products has considerable potential to reduce costs and increase the reach of insurance. However, it can be difficult for loan officers to explain both a credit product and an insurance product, especially with more complex products, such as crop insurance. This issue was explored with the microfinance institution Crezcamos in Colombia.

Loan officers were trained to sell a crop insurance product by adhering closely to a standard procedure. This involved a range of tools, including a video, a worksheet, key talking points, and guided answers to common client questions. Each tool was designed for a specific purpose. For example, the video explained the product details (e.g. coverage, price and benefit amount). This approach was based on the assumption that loan officers usually appeal to their clients at an individual level.

However, because they are not insurance experts and because their primary focus is sales, they may not always be adept at explaining the details of a relatively complex insurance product. On the whole, qualitative interviews with end clients suggested that the standardized approach was effective in helping them to understand the product. Furthermore, a 23 per cent take-up was achieved, a good result for voluntary crop insurance sales.

Find out more in the full study carried out by the Microinsurance Center and EA Consultants, ["Responsible bundling of microfinance services"](#).



2 DRIVING INNOVATION

Within our Research and Innovation initiative, we continued to push for greater innovation and learning, as both these things are necessary for us to reach our goal of providing millions of people with valuable insurance solutions.

Our new innovation projects in Africa

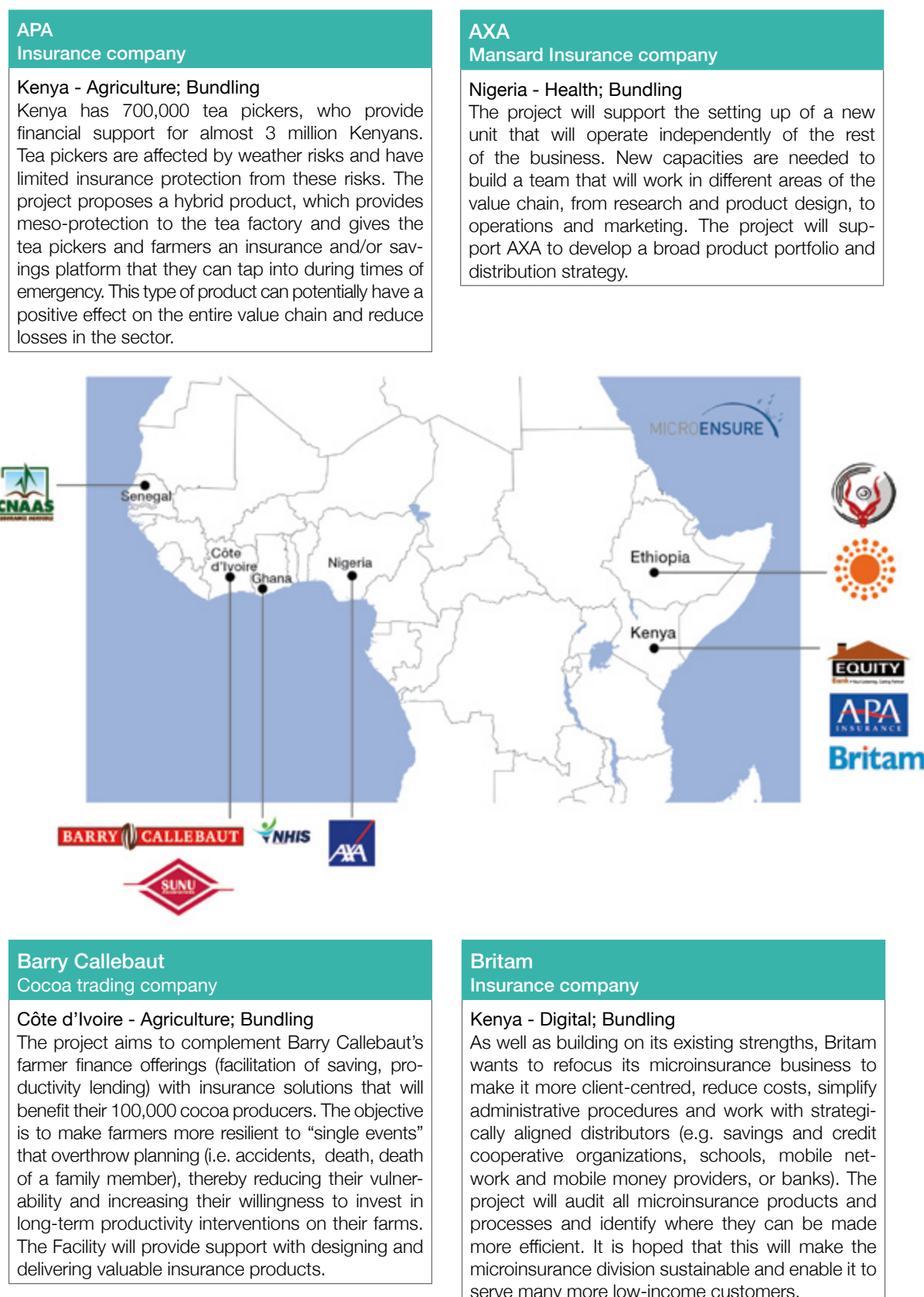
In partnership with the Agence Française de Développement (AFD) and Financial Sector Deepening Africa (FSDA), the Facility launched 11 new projects to promote innovation and support change management in sub-Saharan Africa. The Facility, AFD and FSDA used a rigorous selection process to choose these

projects, which are outlined in Figure 6. The Facility provides support for product development and innovation management, including targeted technical assistance in the following areas: market research (see Box 1), marketing, product design and pricing, distribution, process mapping, costing, and pilot testing.

Each innovation project is also supported by a fellow who provides technical and project management support. A few of the organizations are also given limited grant funding. The projects are part of a community of practice (CoP) to exchange knowledge and lessons (see Box 2).



FIGURE 6. DETAILS OF NEW INNOVATION AND CHANGE MANAGEMENT PROJECTS IN AFRICA



CNAAS

Public-private insurer

Senegal - Agriculture

The National Agricultural Insurance Company of Senegal (CNAAS) is a public-private partnership (PPP) charged with underwriting crop and live-stock insurance in Senegal. The CNAAS currently partners with financial institutions to distribute agricultural insurance products, but they are limited by the partners' understanding of insurance. The project will conduct an assessment of distributors in order to identify the most appropriate channels and strengthen the capacity of their management to gain a better understanding of how insurance can mitigate the risks faced both by the institutions and their customers.

NHIA

Public health insurance body

Ghana - Health; Digital

The NHIA (National Health Insurance Authority) administers Ghana's national health insurance scheme. Each year, the 10.5 million members of the scheme are required to renew their membership in person at a District Office. This time-consuming process may deter members and result in lost coverage. The project proposes the digitalization of the renewal process, which will allow members to renew their membership through their mobile phones or via partner organizations. This will enable members, especially those in the informal sector, to ensure that their cover does not lapse and to continue to access health care.

Equity Bank

Financial institution

Kenya - Bundling

Equity Bank is looking to expand the range of services it offers to SME clients in order to protect them from risk events that could reduce their production capacity. This project will segment Equity Bank's SME clients to assess the risks they face and then design bundled insurance solutions to be delivered through Equity's 200 bank branches and network of 17,000 low-cost agents. In addition to working on the SME products, the Facility will help develop the overall strategy of the bancassurance agency for the informal sector.

Nyala

Insurance company

Ethiopia - Bundling; Agriculture

Nyala is establishing a microinsurance department within the company. It needs support to develop its strategy, business case, partnership management and understanding of the low-income market. The project will support Nyala to implement a broader microinsurance strategy, beyond agriculture, and work with a range of aggregators in Ethiopia to serve microenterprises.

MicroEnsure

Intermediary

Regional - Bundling; Digital

MicroEnsure offers "freemium" mobile insurance (including life, accidental permanent disability, and hospital cash insurance) through Airtel in several African countries. It is launching a paid version of these products, which clients can buy to top up individual benefits or as cover for their family. The project will support launches in Kenya, Nigeria and Malawi, focusing on (1) development of an algorithm to identify and segment the customers who are most likely to buy and retain the paid-for product, and (2) test the impact of digital customer education campaigns, in order to identify the most cost-effective way to educate customers and improve their understanding of the product.

Kifiya

Technology services providers

Ethiopia - Bundling; Digital

Kifiya provides digital infrastructure to enable the development and delivery of insurance products. Kifiya's digital financial services platform enables enrolment, premium collection and claims payment processing. This project will focus on achieving scale and sustainability for Kifiya's new agricultural insurance offering, which is being launched in partnership with Ethiopia's Ministry of Agriculture and four private insurers.

SUNU

Insurance company

Côte d'Ivoire - Bundling; Digital

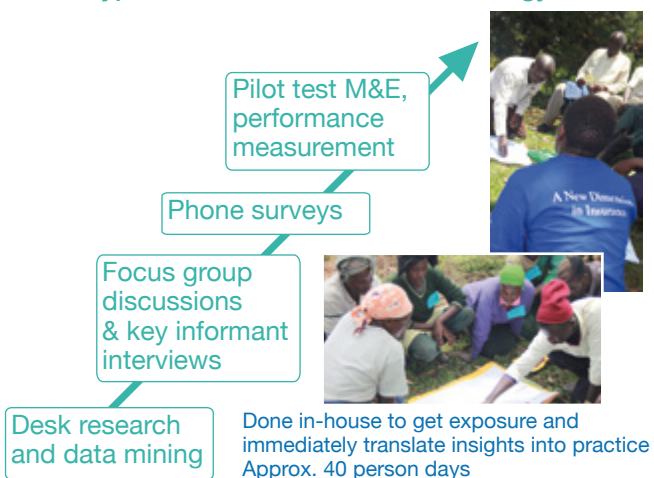
SUNU wants to refine its new strategy on alternative distribution. A new unit will be set up to be in charge of handling alternative distribution, enabling SUNU to take up activities that have traditionally been performed by intermediaries. The project will support SUNU to provide life insurance to the low-income segment beyond mobile customers. It will equip SUNU to establish systems and assume functions that are independent of the existing mobile network operator's platform.



BOX 1: HELPING WITH MARKET RESEARCH

Understanding the needs of clients is the first step in the product development cycle. The Facility has helped a number of partners to conduct market research to identify the specific risk management needs that can be met by insurance. A typical market research project follows the steps outlined below. We strongly recommend that a cross-functional team from within the organization participate in the market research process so that multiple members of staff learn about the realities faced by potential clients.

Typical market research methodology



In Kenya, APA's product was designed on the basis of discussions with tea factory workers, tea farmers and tea pickers.

In Côte D'Ivoire, our fellow spent time with cocoa farmers to understand how insurance could be included in a package of services provided to these farmers.

Also in Côte D'Ivoire, the Facility partnered with Allianz Africa to understand the health-care and health-financing needs of emerging consumers in urban areas.

We will help all partners go through this process and are launching an e-learning course on market research.



BOX 2: BRINGING PRACTITIONERS TOGETHER

The first meeting of the community of practice was held in October in Nairobi. The meeting provided an opportunity for the Facility's new innovation and change management partners to exchange ideas and learn from each other's experiences. A number of external organizations – for example, Cenfri (the Centre for Financial Regulation and Inclusion) and CGAP (the Consultative Group to Assist the Poor) – and practitioners – for example, CARD Pioneer from the Philippines – participated in the meeting to serve as resource persons.

The meeting covered key topics related to client-centricity, change management, market research and digitization. Further, participants were given the opportunity to discuss the details and challenges of each project.

Nine new fellows

Each of the innovation partners is supported by Impact Insurance Fellows who were placed with the partners through the Facility's [Fellowship Programme](#).

This programme matches qualified insurance professionals with organizations working on the frontiers of impact insurance, in order to fill skills gaps and create a new generation of professionals with relevant experience. The programme provides a unique opportunity for professionals to gain hands-on experience and learn to adapt their expertise to the low-income market.

Through the 2-year programme, fellows provide technical and project management support to the innovation projects of leading practitioners in Africa.

"I cannot describe the sense of fulfilment and reward one receives working as an actuary in global development. Working as an Impact Insurance Fellow opens new doors to the boundless world of microinsurance and managing risk for the underserved. I am thrilled at how the skill-set of an actuary and data scientist can be applied in developing innovative insurance solutions and make a positive impact in the lives of the low income population".

- Queenie Chow, hosted
by [MicroEnsure Holding](#) in Nairobi, Kenya.

"The greatest joy is to continually learn and to provide, and gain more experience in designing a range of insurance products and distribution solutions tailored to the needs of millions of low-income people in sub Saharan Africa".

- Enock Kipkemboi Sing'oei hosted
by [Kifiya](#) in Addis Ababa, Ethiopia.

"It is the unique blend of learning and execution that excited me about the Fellowship Programme. Working with my host organization, I have the opportunity to apply my existing skills, while learning how traditional insurers are reaching out to vulnerable communities. Further, the extensive experience of the Impact Insurance Facility, and its resources in this space will add a lot to my knowledge and abilities".

- Saurabh Sharma, hosted
by [Britam General Insurance](#) in Nairobi, Kenya.

"The Fellowship is for me a great opportunity to work in the field with a committed organization to develop relevant and innovative approaches in providing inclusive solutions for the low-income population. The opportunity to learn from experienced practitioners, improve my skills and practise under the mentorship of this unique centre of expertise is extremely valuable".

- Marieme Ba, hosted
by [AXA Mansard Insurance](#) in Lagos, Nigeria.

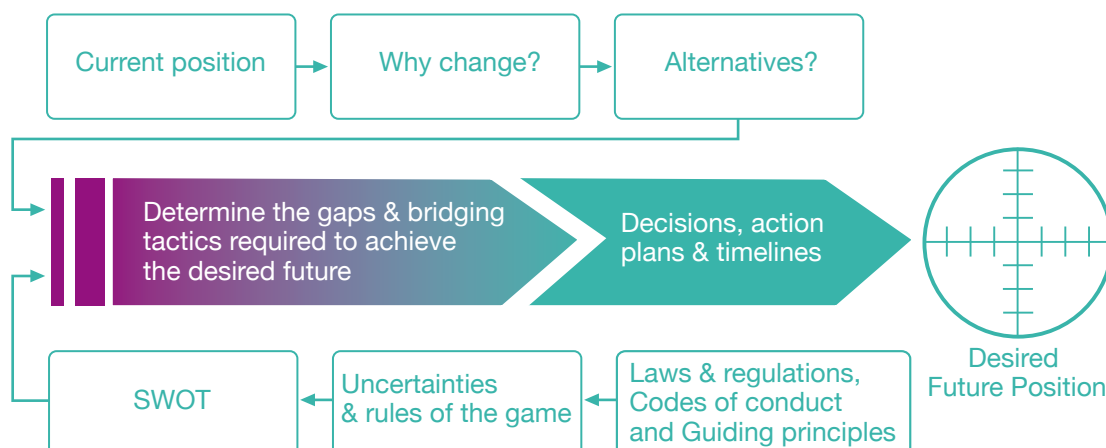
Enabling change

Organizations often need to go through a systematic change management process to get ready to serve the low-income market effectively. Often substantial changes to business models, operating procedures or internal structures are needed. With support from FSDA, we are working with six partners to implement a systematic change management process.

During 2016, the Facility developed a change management diagnostic tool and framework with support from DotXML, to assess the scope of the changes needed within each organization to achieve their objectives.

The change management framework lays out the process that organizations should follow to get from their current position to their "desired future", which could be one or more of the following objectives: serve low-income market, become more client-centred, become more innovative or become a digital insurer. The Facility will work with each partner to help it diagnose what changes are needed within the following areas: (1) customer value proposition, (2) distribution and operations, (3) risk management and policies, and (4) governance and people. For an example of this, see Box 3.

FIGURE 7. CHANGE MANAGEMENT PROCESS

**BOX 3: CHANGE MANAGEMENT AT SUNU, CÔTE D'IVOIRE**

SUNU is the leading life insurance company in West Africa, with big ambitions to expand its offerings for emerging customers. The change management workshops conducted by the Facility gave SUNU Ivory Coast (IC)'s staff the tools to adjust their internal structures and procedures to make them more suited to the demands of inclusive insurance: streamlined and automated processes, and a quick turnaround time of the subscriptions and claims' administration.



In order to help ensure management buy-in, directors were the first to be invited to these workshops. Workshops were subsequently rolled out to the middle and junior management. Emphasis was put on defining SUNU IC's current situation and desired future. A toolbox was presented to the attendees to help them streamline their procedures, reorganize responsibilities accordingly within their teams, hold their colleagues accountable, and thereby begin the transition between the current situation and the desired future.

The workshops highlighted certain challenges with the change management effort ahead. As with most organizations, there is a bias towards the status quo. Changing the way the staff have been operating for years in a fast-growing and competitive environment requires them to take a leap of faith, leaving their comfort zone. For rationalized, simplified procedures to emerge, the staff must fully support the change management process and endorse the concept of inclusive insurance.

Delivering integrated solutions to protect the agricultural value chain

Two of the innovation projects the Facility is supporting with AFD involve working with value chains. In Kenya, together with APA Insurance, we are exploring a scheme aimed at tea factories, farmers and pickers, which links savings and insurance (see Box 4). Similarly, in Côte D'Ivoire, we are partnering with Barry Callebaut to provide a complete productivity package for cocoa farmers that includes financial services such as credit and insurance, as well as non-financial services. The goal with these projects is to help the various players within the agricultural value chain to manage their risks better, with insurance being just one of the interventions provided. Building on the two projects described above, the Facility, together with other units within the ILO's Enterprises Department, is exploring how integrated solutions can help protect agricultural value chains, especially against the risks posed by climate change.

Climate change is affecting all actors involved in agricultural value chains, not just farmers. The ILO takes a systemic approach to supporting value chain development, recommending that

all interventions start by understanding the core value chain as well as the supporting functions and rules and regulations that influence how it operates. This phase of understanding implies identifying the underlying constraints that are preventing the value chain from growing or working effectively. These constraints can be either in the value chain itself, or (as is often the case) in the rules and regulations and/or the supporting functions, such as the provision of financial services, including insurance.

An integrated approach aims to tackle some of the key constraints that are preventing farmers and other actors in the agricultural value chain from adopting and implementing adaptation and resilience strategies that are sustainable (i.e. not solely dependent on the larger players in a value chain). By seeking ways of addressing these constraints, the new approach will involve and benefit all the actors in the agricultural value chains concerned, selected because they present a significant opportunity for economic impact at the country level.

BOX 4: PROTECTING TEA FACTORIES, FARMERS AND PICKERS IN KENYA

Project: Bundled insurance products for the tea industry, funded by the AFD

Value chain: Tea

Target group: Poor, rural smallholder farmers, tea pickers and tea factories



Problem: Kenya has 700,000 tea pickers, who provide financial support for almost 3 million Kenyans. The tea industry is affected by weather risks such as drought, hail and frost. When less green leaf is produced, fewer workers are needed, less tea is produced and factories are not able to stay afloat during that period.

Underlying cause: Factories and workers have limited protection from these risks and few mechanisms to save for emergencies. The sector has limited financial literacy and trust in insurance.

Business model: The project proposes a hybrid solution sold to and through tea factories, with a catastrophe insurance policy for the factories and integrated savings accounts and insurance cover for the tea farmers and pickers (unlocked in case of smaller weather risks; underpinned by mobile technology). This type of product can potentially have a positive effect on the entire value chain, reduce the losses in the sector, build trust and open up upselling and cross-selling opportunities. The project will test the hybrid solution and get it to scale; and then also test a complementary offering to the same target segment.

Activities: The project was launched in May 2016 with a market research study that identified the most relevant risks and assessed their extent. APA is starting to approach tea factories with the hybrid product it has developed.



3 UNLOCKING CAPACITY

In 2016, our knowledge and capacity-building activities continued to close capacity gaps, to enable insurers and their partners to provide valuable solutions at scale.

Our sustainable capacity-building programme

Recognizing the capacity gaps that prevent insurance markets from advancing and contributing effectively to social and economic development, in 2014 the Facility designed a comprehensive and sustainable capacity-building programme. At the local level, we partner with local institutes for a period of 2 to 3 years to equip them with the

knowledge and skills to deliver our training modules as part of their portfolio of courses. During this engagement period, the Facility trains local trainers, to enable them to use our methods and content.

Local trainers are also involved in the delivery of the Facility's own training courses, in order to further improve their facilitation skills. See Box 5 for an example of how this approach is working in Senegal.

Organisations
communautaires

Détaillants

Réseau d'agents

ORM

Employeurs

Vente directe

BOX 5: BUILDING LOCAL CAPACITY IN SENEGAL

When building local capacity, the Facility aims to leave behind a sustainable training infrastructure. The case of Senegal shows the high potential of this approach. The Facility partnered with the local training institute, the Centre Professionnel de Formation à l'Assurance (CPFA), which is a satellite institute of the Institut International des Assurances (IIA) de Yaoundé – a training arm for the CIMA zone which groups 14 countries in West and Central Africa within one insurance regulatory area.

Since 2015, the Facility and the CPFA have conducted six training courses for more than 150 participants on key aspects of inclusive insurance delivery, such as market research to design new products or how to manage distribution. A pool of seven local trainers trained by the Facility has been created. They co-facilitated sessions during the courses, as part of their overall training.

The CPFA is gradually taking more ownership of both the curriculum and the delivery of courses. All the logistics are organized locally, and costs are covered through market-based fees charged to participants. The CPFA has already organized one course (a repeat of “Introduction to micro-insurance and its business case”) and it delivered it through local trainers in 2016. Demand for all courses stabilized, with a full house for each session.

In 2017 the programme will be continued with even more ownership from the CPFA and certification of some of the local trainers through a structured process developed by the Facility.

This activity has contributed to the gradual development of an inclusive insurance market in Senegal. Our country-scoring tool monitors the overall development of inclusive insurance markets over time. The tool analyses both the quality of inclusive insurance provision (such as the variety and features of products available, client education programmes and complaints handling) and the scale attained (including the number of insurers, products and distribution channels active, as well as coverage of the population). Figure 8 uses this tool to show how an inclusive insurance market has developed in Senegal since 2012.

FIGURE 8. THE DEVELOPMENT OF AN INCLUSIVE INSURANCE MARKET IN SENEGAL SINCE 2012



In 2016, the Facility conducted ten “Training of trainers” courses with its partner institutes in Bangladesh, Nigeria, Senegal, Kenya and the Philippines (see Table 1 for details), with a total of 40 local trainers undergoing the certification process. After certification, these trainers will be authorized to deliver training courses at the Facility’s partner institutes. Trainers from Nigeria

and Senegal will be among the first to have fulfilled our training requirements. If successful in the final exam of the programme, which will take place in 2017, they will also be the first to be awarded the title of “Certified ILO Impact Insurance Trainer”.

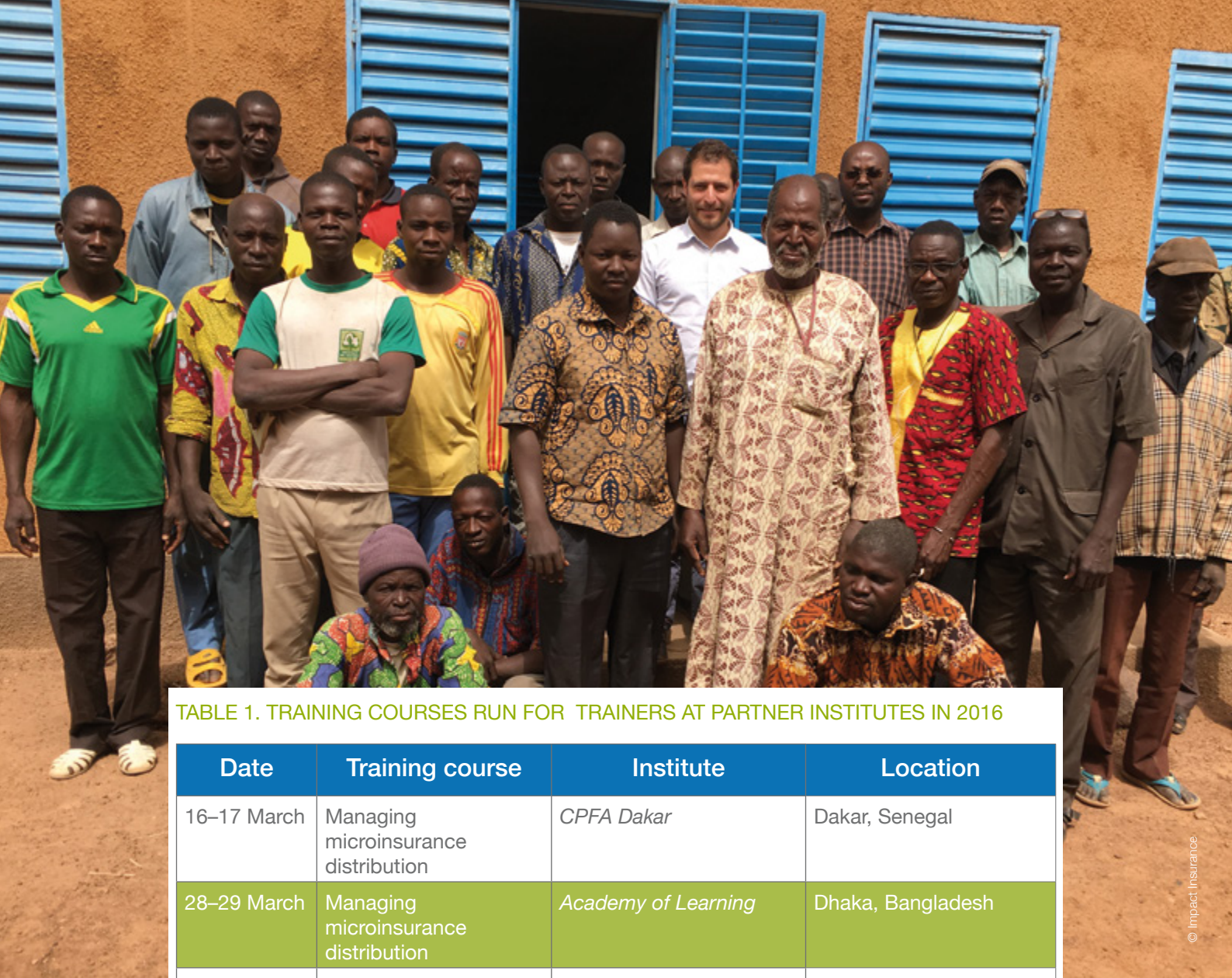


TABLE 1. TRAINING COURSES RUN FOR TRAINERS AT PARTNER INSTITUTES IN 2016

Date	Training course	Institute	Location
16–17 March	Managing microinsurance distribution	<i>CPFA Dakar</i>	Dakar, Senegal
28–29 March	Managing microinsurance distribution	<i>Academy of Learning</i>	Dhaka, Bangladesh
12–14 April	Key performance indicators for microinsurance	<i>College of Insurance and Financial Management</i>	Lagos, Nigeria
25–26 May	Claims management in microinsurance	<i>Academy of Learning</i>	Dhaka, Bangladesh
31 May – 1 June	Managing microinsurance distribution	<i>Insurance Institute of Asia and the Pacific</i>	Manila, the Philippines
26–28 July	Introduction to microinsurance and its business case	<i>CPFA Dakar</i>	Dakar, Senegal
3–4 August	Managing microinsurance distribution	<i>College of Insurance and Financial Management</i>	Lagos, Nigeria
27–28 October	Providing insurance responsibly	<i>Kenyan College of Insurance</i>	Nairobi, Kenya
23–24 Nove	Claims management in microinsurance	<i>College of Insurance and Financial Management</i>	Lagos, Nigeria
19–20 December	Providing insurance responsibly	<i>Academy of Learning</i>	Dhaka, Bangladesh

BOX 6: WHAT DO LOCAL TRAINERS SAY ABOUT OUR CAPACITY-BUILDING PROGRAMME?

“The training of trainers conducted by the Facility helps to learn various methods of training. We learned how to adapt the interactive and hands-on training on different perspectives. Besides, we had the opportunity to understand the global view and practice of microinsurance, which helps us to get rid of stereotyped concepts of microinsurance” – Participant in “Managing microinsurance distribution” course offered jointly with Academy of Learning in Dhaka, Bangladesh

“The training programmes were very practical and revealed in-depth information on microinsurance based on extensive research undertaken in different developing countries. All the workshops had well prepared training materials which made facilitation a lot easier. The training methodology is in line with global standards. I have incorporated various aspects of the ToT training methodology in my regular classes and these have made my lectures more interactive and participatory” - Participant in Training of trainers workshops offered jointly with College of Insurance and Financial Management Studies in Lagos, Nigeria.

“I have to admit that these trainings have positively impacted my professional career. Through these certification courses, I have strengthened my skills in microinsurance and joined the future trainers in West Africa. The modules covered during the training sessions have given me the necessary tools for action. Not only did I enhance my knowledge about development strategies and concepts in microinsurance, I also met other actors and developed a solid network of professional relationships” – Participant in Training of trainers workshops delivered jointly with CFPFA in Dakar, Senegal

“The Training of Trainers helped us to practice on using facilitating techniques and limit the use of lectures which are proven to be less effective. It motivated IIAP's faculty to try other methods of teaching using adult learning principles. We look forward to more sessions with the ILO's Impact Insurance Facility” - Participant in Training of trainers workshop delivered jointly with Insurance Institute of Asia and the Pacific in Manila, Philippines

Training and course development

The Facility is the leader in the development of training courses in impact insurance. Our modules, built on the knowledge generated through our engagement with 60+ partners, aim to help practitioners re-engineer business models and products in order to improve their client value proposition. In 2016, through 15 training courses delivered by top-notch trainers (see Table 2), we reached more than 400 participants.

In November 2016, as part of our collaboration with the Insurance Institute for Asia and the Pacific (IIAP), we organized the first ASEAN (Association of South East Asian Nations) young managers microinsurance course. This successful training course, attended by the impressive number of 70 participants, was held in conjunction with the ASEAN Insurance Council and focused on

middle and mid-senior managers interested in exploring opportunities to enter the microinsurance market or in improving their current programmes.

As part of our partnership with the World Bank's Global Index Insurance Facility (GIIF), we have also developed three new courses focused on index-based insurance topics. These are “Introduction to index insurance”, “Making index insurance better through a client-centred approach” and “Data in index insurance”. These courses are integrated into our portfolio of training courses, which is now composed of 15 face-to-face training modules and one e-learning module. We expect these new courses to strengthen the capacity of local stakeholders involved in index insurance schemes, resulting in improved offerings in developing countries.

Finally, given the success of our first e-learning pilot in 2014, at the end of 2016 we decided to relaunch our e-learning platform to offer once again the blended course “Market research for microinsurance”. To stimulate action, we expect

the participants enrolled to conduct their own market research before they finish the course in the first quarter of 2017. While doing this, they also benefit from mentoring from our experts to guide their research efforts.

TABLE 2. TRAINING COURSES DELIVERED IN 2016

Date	Training course	Location
25–29 January	Unlock the demand for your products	Ouagadougou, Burkina Faso
7–11 March	Market research for microinsurance: How to translate consumer insights into improved results	Dar es Salaam, Tanzania
16–17 March	Managing microinsurance distribution	Dakar, Senegal
28–29 March	Managing microinsurance distribution	Dhaka, Bangladesh
12–14 April	Key performance indicators for microinsurance	Lagos, Nigeria
25–26 May	Claims management in microinsurance	Dhaka, Bangladesh
31 May – 1 June	Managing microinsurance distribution	Manila, the Philippines
26–28 July	Introduction to microinsurance and its business case	Dakar, Senegal
3–4 August	Managing microinsurance distribution	Lagos, Nigeria
27–28 October	Providing insurance responsibly	Nairobi, Kenya
14 November	Managing microinsurance distribution	Colombo, Sri Lanka
14 November	Building sustainable agriculture insurance programmes	Colombo, Sri Lanka
22–24 November	ASEAN young managers microinsurance course	Jogjakarta, Indonesia
23–24 November	Claims management in microinsurance	Lagos, Nigeria
19–20 December	Providing insurance responsibly	Dhaka, Bangladesh

As in previous years, the training courses delivered in 2016 were evaluated by participants and received high ratings. The average satisfaction was at 4.48 (1–5, with 5 as highest), with participants giving an average rating of 4.25 for all the training objectives being met. Besides the standard evaluation that takes place at the end of our courses, we have also continued to track participants after the training sessions as a way to check for potential changes generat-

ed by our interventions. For this to be possible, participants are required to set three priorities to be addressed upon their return to their organizations. Three months after the training course, the Facility contacts them to discuss their progress and the challenges they face. We expect this prolonged engagement will not only bring more benefits than one-off interventions, but also will help us improve the quality of our capacity-building activities.

BOX 7: GENERATING CHANGE THROUGH CAPACITY BUILDING

Product development

"I attended the training course on distribution and I'm glad to report back on my learning commitment. I've already designed a new product model for the microfinance client base which I oversee for Milvik. The product is further evaluated by a survey that was conducted with a sample of more than 500 clients within our current MFI portfolio. I'm also currently in discussion with a couple of NGOs to see how this product could further benefit their clients" – Naima Sultana from Milvik, Bangladesh, March 2016



Learning from others

"Based on the lessons learned during the training course and the case studies presented, we revisited the product, especially the strategy component. It was helpful to hear of similar experiences, such as the case study from Ghana. Partnering with a telephone company would help further refine and better position the product" – Daniel Dena, participant in "Introduction to Microinsurance and its business case" course, Senegal, July 2016

Managing communities of practice

Our communities of practice (CoPs) provide practitioners with opportunities to share their knowledge experience. The Facility's role includes setting up and coordinating the activities of a consortium of experts – from development organizations and government officers to private sector practitioners and research communities – who are engaged in developing agricultural insurance markets.

Since 2014, under our partnership with the USAID/BASIS Index Insurance Innovation Initiative (I4), we have been managing the Global Action Network (GAN), a community of experts and practitioners who join together to tackle the problems that hinder the effective scaling of agriculture insurance. Another CoP we facilitate, in collaboration with the World Bank's GIIF, is the Index Insurance Forum, a community of GIIF partners and index insurance practitioners. As mentioned earlier (see Box 2), a new community of practice has been created to bring together our new innovation partners in sub-Saharan Africa.

One example of our CoP activities is the second meeting of the GAN working groups, which took place in Geneva in May 2016. Since the first meeting, in London in April 2015, three working groups have been developing tools and guidelines for the responsible scaling of agriculture insurance, namely (1) a tool for assessing the client value of index insurance products; (2) a concept note on public risk reinsurance; (3) guidelines on bundling agriculture insurance with financial and non-financial services; and (4) guidelines on consumer education for index insurance. During the Geneva meetings, the draft versions of these tools and guidelines were presented to a broader audience for feedback. The working group meetings were attended by around 30 participants from a variety of organizations, including research and academic institutions, international and bilateral development organizations, insurers and reinsurers.

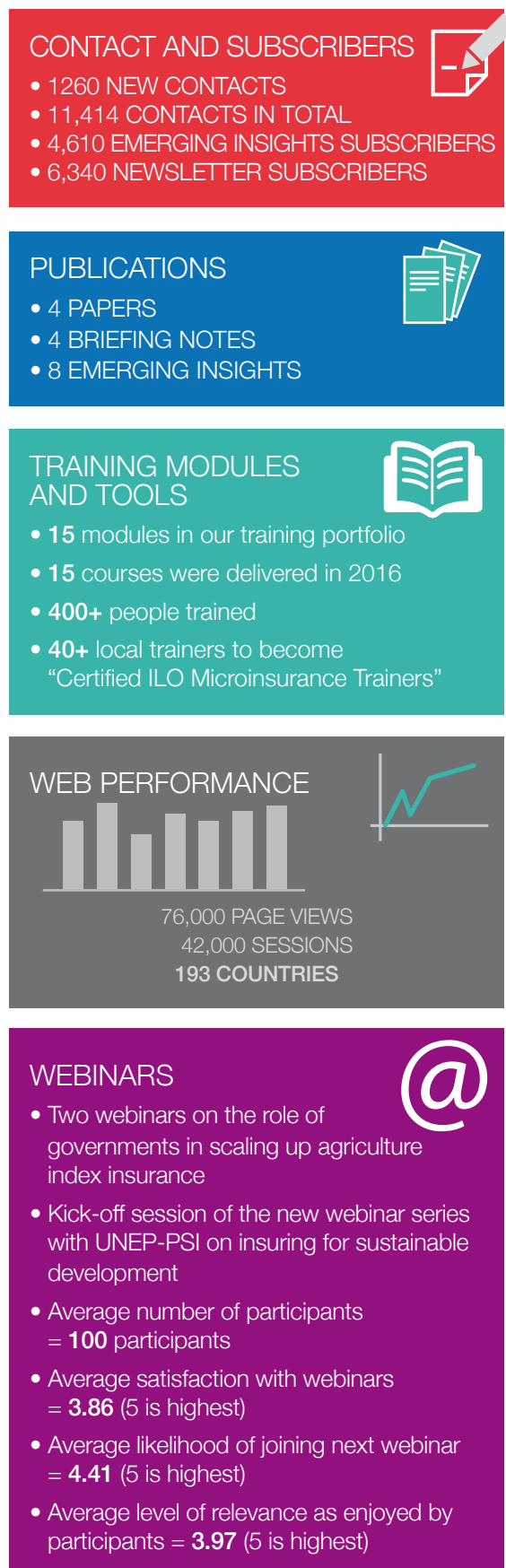
Knowledge-sharing and dissemination

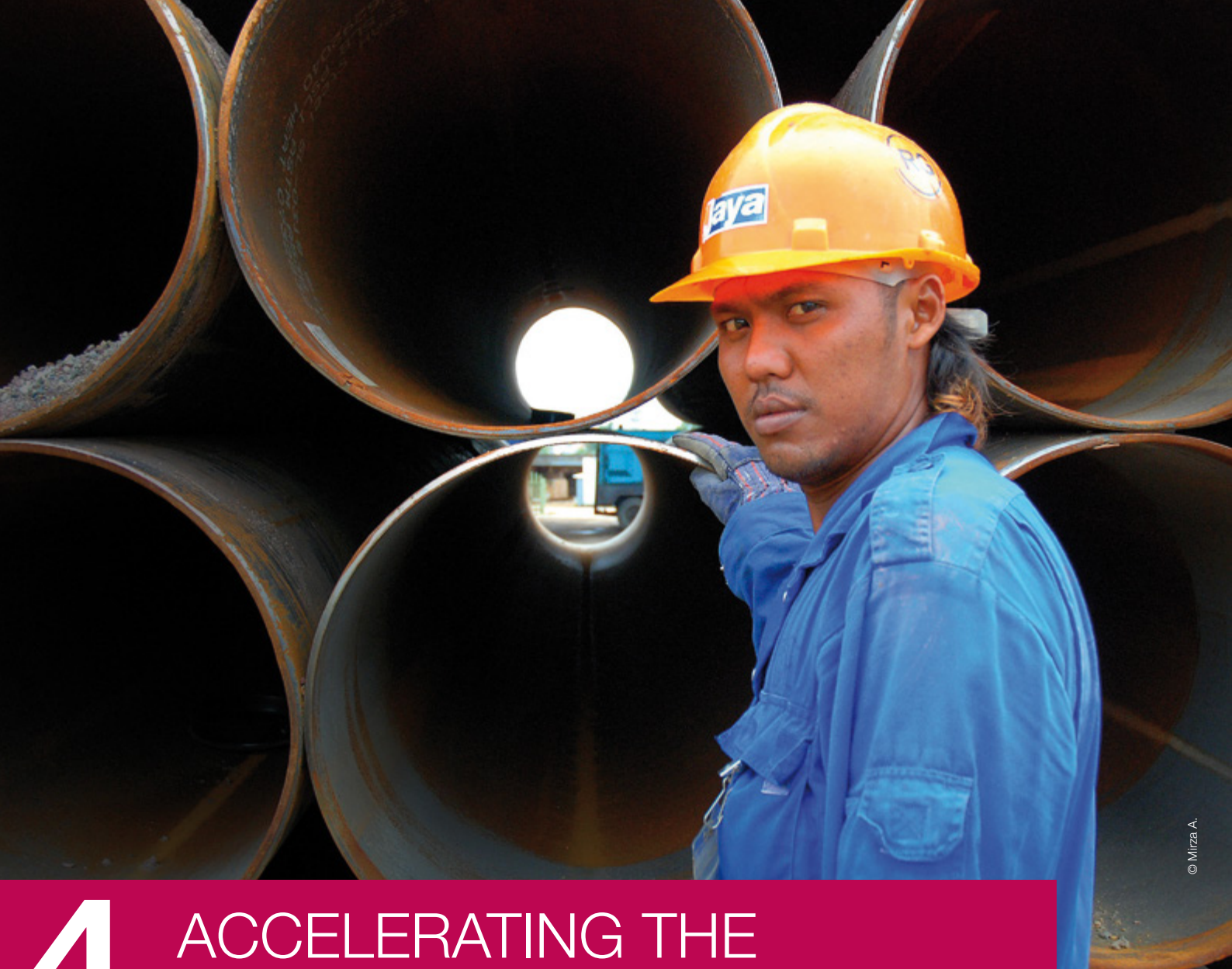
By using a multi-product and multi-channel knowledge management strategy that recognizes the varied preferences of our target audience, we remained the largest knowledge hub in inclusive insurance in 2016. During the year, our online knowledge centre received around 76,000 page views, with 42,000 visits from 193 countries. We have also continued to expand our written knowledge products, with eight new Emerging Insights released, four new papers published, and four briefing notes produced.

The lessons learnt through our projects on the ground were shared online via webinars. As in 2015, we carried on organizing webinars in cooperation with our partners USAID/BASIS/I4 and the World Bank's GLIF. We also embarked on a new partnership with the UN Environment Programme's Principles for Sustainable Insurance (PSI) Initiative to create a five-part webinar series on the theme "Making inclusive insurance work". Under this partnership, two webinars were conducted in 2016 (on the topics "Clients and impact metrics" and "Distribution and technology") and three more are scheduled for 2017 (on the topics "Health", "SMEs and value chains" and "Agriculture and climate risks"). All the 2016 webinars were highly rated, with attendees giving an average of 4.41 on their likelihood of joining future webinar events (1–5, with 5 as highest).

As in previous years, we have invested heavily in face-to-face knowledge-sharing events. An example is our flagship annual meeting, the Impact Insurance Forum, which took place during the 12th International Microinsurance Conference, organized in Colombo, Sri Lanka, by the Munich Re Foundation and the Microinsurance Network. Focused on the topic "Becoming a digital insurer", the 2016 Forum explored the various digital tools and technology that can be used to improve insurance solutions in emerging markets, with a particular focus on how to improve customer experience, automate business processes and use data better to achieve high uptake and sustained customer use. Participants also had the chance to exchange ideas with organizations that had already started their digital journey and to listen to their experience and tips. These engaging discussions attracted a total of 83 participants.

FIGURE 9. THE FACILITY'S KNOWLEDGE-SHARING ACTIVITIES IN 2016





© Mirza A.

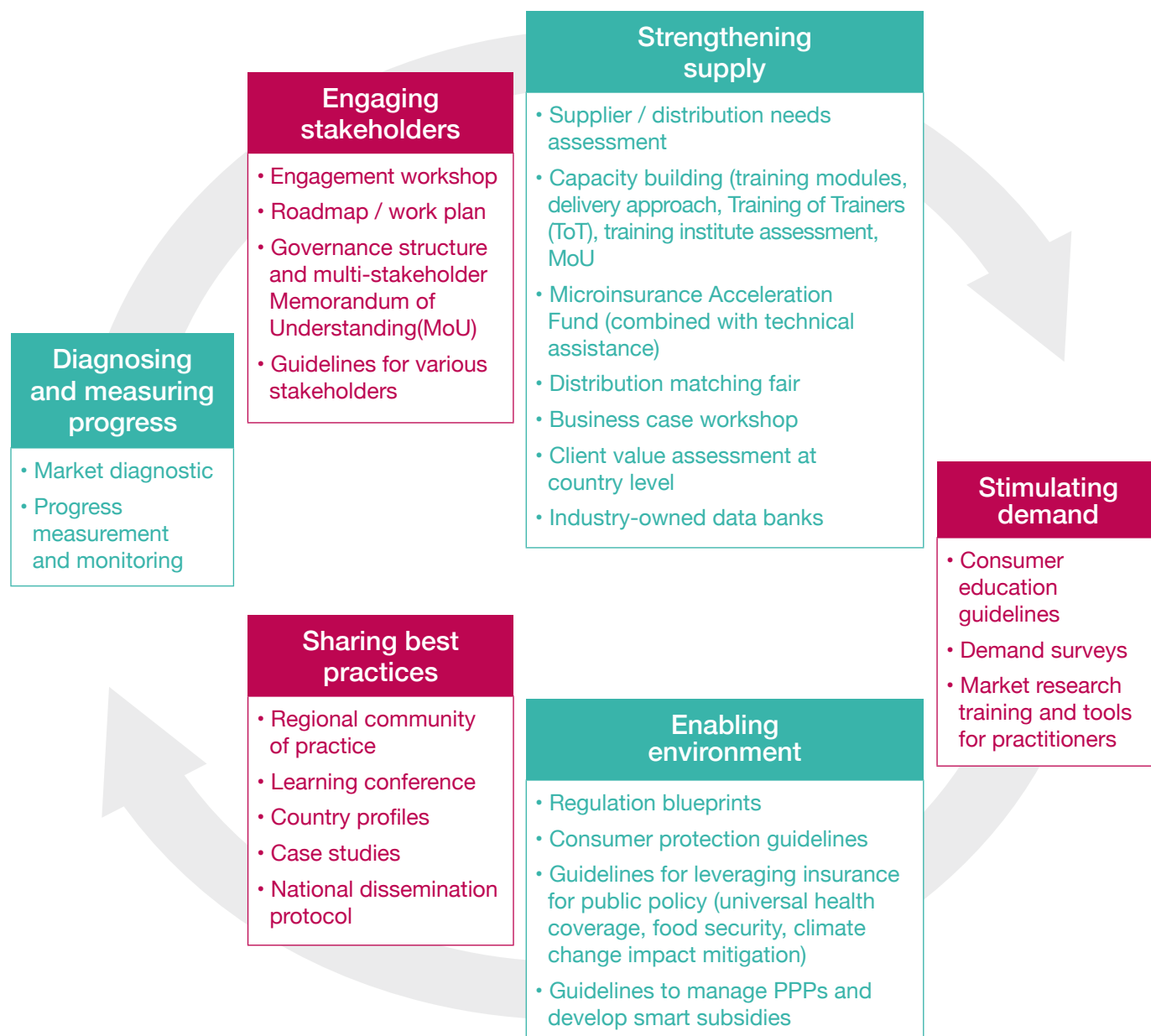
4 ACCELERATING THE DEVELOPMENT OF INCLUSIVE INSURANCE MARKETS

Market development is a process that requires a combination of actions by various local stakeholders to be implemented in a coordinated way. It often boils down to two main challenges. On the one hand, consumers do not trust insurers, hence are not willing to pay much for insurance. On the other hand, insurers do not see immediate business, hence are not willing to invest to provide good solutions in an efficient way.

All our activities aim ultimately to contribute to the development of inclusive insurance markets, with a special focus at provider and industry levels. Our research and innovation as well as knowledge and capacity-building interventions, described in previous sections, contribute to

better markets, especially at provider level, by incubating innovations or improving the skills of practitioners. The market development initiative focuses more on industry-wide solutions that can contribute further to building trust among low- and middle-income customers as well as increasing the efficiency of delivery models.

Over the years, we have developed several approaches that help local market development coordinators to empower practitioners to improve insurance offerings and that support the industry as a whole to build trust and become more efficient. We partner with country stakeholders to support their efforts to use our market development toolbox.

FIGURE 10. MARKET DEVELOPMENT
TOOLBOX

Based on consolidated experiences of the Facility, Cenfri, A2II, GlZ, FinMark Trust, Microinsurance Network and FSD Zambia



© Sujian Sarkar

Below, we highlight five new approaches that were developed in specific countries in 2016. They are at different stages of development but

have tremendous potential to accelerate the development of inclusive insurance markets.

1. Promoting responsible insurance at the industry level in Kenya

Many insurance products are not yet fulfilling this potential. In some cases, consumers struggle to understand how insurance products work and how they can generate long-term benefits. In others, insurance is mis-sold or consumers are unaware of the insurance policy and are therefore unlikely to lodge a claim should the risk event occur. If not addressed, these issues will prevent insurance from achieving its social impact. If they

are addressed – through more responsible insurance provision – low-income clients will become more able and more motivated to use insurance products to protect themselves from relevant risks. Given that appropriate products and distribution create value and trust, insurance providers that aim to serve the low-income market will ultimately benefit from taking a more responsible approach to insurance provision.

To facilitate this change at country level, we have developed a new training module called “Providing insurance responsibly”, based on three bodies of work: the efforts of the Microinsurance Network’s Consumer Protection Task Force to create consumer protection standards; the work of the Smart Campaign to develop guidelines for microfinance institutions; and the lessons learned by the Impact Insurance Facility as it endeavours to promote high-quality products at scale. This 3-day training module explores standards, guidelines and strategies for providing insurance responsibly.

As one of the participants in the training course that took place last year in Nairobi said, “We should mandate this training for all insurance companies in Kenya.”

Indeed, it is in the industry’s own interests to self-regulate and comply with a code of conduct, as this will help it to develop an inclusive insurance market. In addition to providing training, the Facility is developing a process to support local stakeholders at industry level to implement this approach.

2. Fostering consumer protection in Latin America

“Consequences of inadequate consumer protection include not only further impoverishment and other hardships for low income consumers, but may also limit market expansion and profitability of products” (M. Wiedmaier-Pfister and J. Voss: Consumer Protection in Microinsurance, Discussion paper (Bonn, GlZ, 2013).

The Facility has started promoting consumer protection policies in Latin America, in collaboration with EA consultants and building on work done by the Microinsurance Network. To be effective, consumer protection should be a shared responsibility between insurers, delivery channels, industry associations, institutions and consumers themselves. Stakeholders must share the responsibilities according to their own capacities and incentives. Our approach is unique, as we believe that it is the end client’s needs and experience that drive the development of inclusive insurance. Success requires that all stakeholders, including consumers themselves, play an active role in consumer protection.

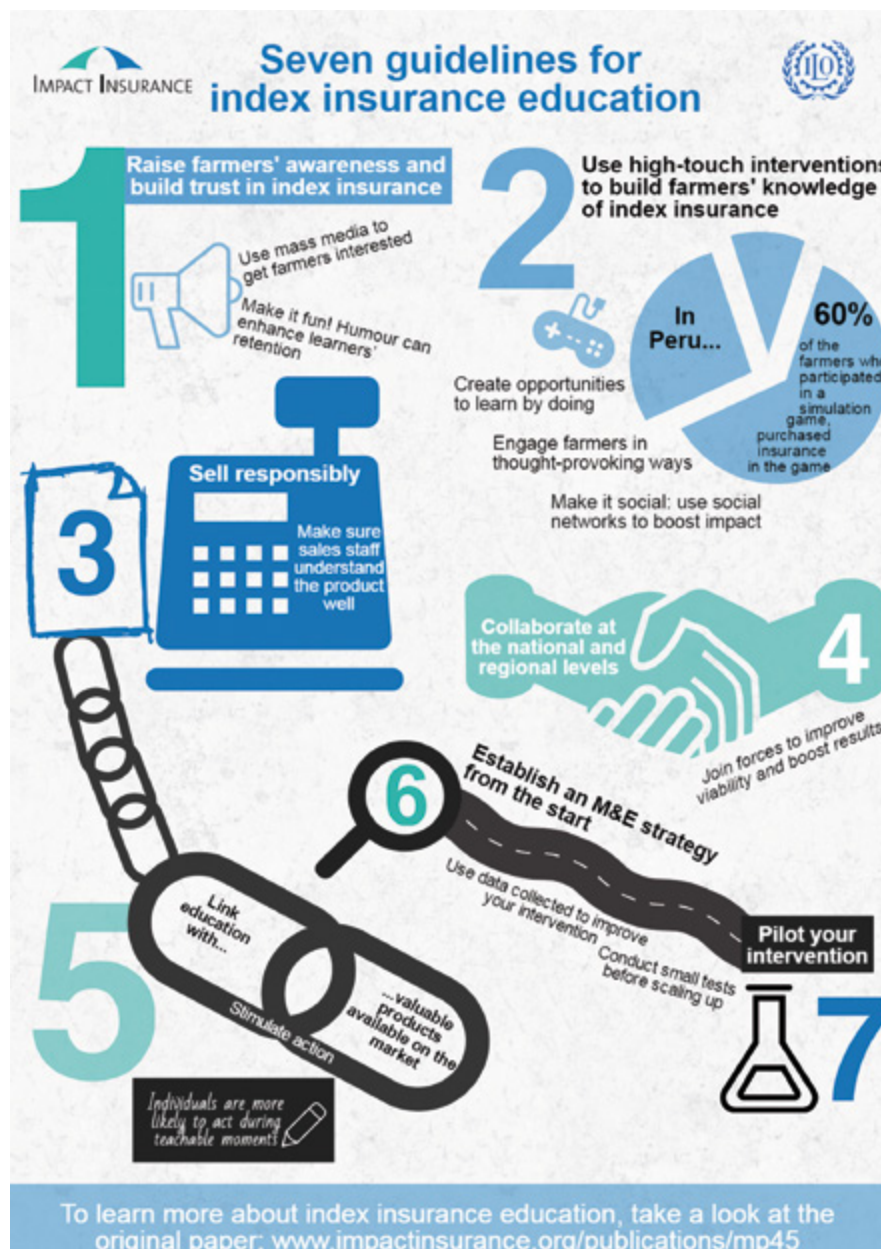
In November, the Facility and EA Consultants organized a workshop for a range of stakeholders in Peru. The workshop explored the need for consumer protection in the country, and included presentations from the insurance supervisor Superintendencia de Banca y Seguros (SBS) and the Ministry of Development and Social Inclusion, as well as the Facility and EA Consultants. These presentations highlighted the importance of consumer protection for accelerating the development of an inclusive insurance market in Peru. In particular, it emphasized that consumer protection helped ensure that products were not just made available to clients, but that they were used and provided value to them. SBS has made significant progress in understanding the perspective of insurance clients in Peru and in establishing insurance education initiatives, together with La Asociación Peruana de Empresas de Seguros, APESEG. However, the participants agreed that there remained important work to be done on consumer protection in the country, and that this should be a joint responsibility of all players. It will therefore be important to boost the capacity of these players, and of clients, to ensure that each can fulfil its role.

3. Testing new industry-wide solutions to cost-effectively educate farmers on index insurance products in Zambia

Index-based insurance is an innovative financial service that can help smallholder farmers manage some of the risks related to adverse weather conditions. On the one hand, the increasing availability of this financial service offers a big opportunity to both farmers and providers. On the other hand, its complexity can lead to poorly understood index insurance products that may do more harm than good.

Taking into consideration the lessons and insights gathered from index insurance and financial education projects, as well as from the field of behavioural economics, the GAN, coordinated by the ILO's Impact Insurance Facility and supported by USAID, put together guidelines for index insurance education to support the industry to deal with this task. See Figure 11.

FIGURE 11. SEVEN GUIDELINES FOR INDEX INSURANCE EDUCATION





These guidelines emphasize greater need to involve insurance providers in the education task. It is true that insurance providers will always have an interest in increasing sales, but by responsibly using customer touch points as “teachable moments” they can benefit from stronger relationships with customers, reduced misuse, and better financial habits, which may increase customer loyalty in the long term. As access to insurance products increases, providers can contribute to the financial capability agenda through the responsible provision of this financial service. In the area of personal finance, teachable moments usually occur when someone is taking a financial decision or using a financial service. As a recent [report](#) published by the Center for Financial Inclusion notes, individuals are more likely to change behaviour if it is conveyed during these teachable moments. This finding has clear implications for the way financial education interventions are designed. Interactions that happen at precise moments in a financial service provider’s value chain may be more effective than traditional stand-alone classroom

interventions. And financial service providers, through their repeated interactions with clients at crucial teachable moments, are in a unique position to contribute to financial education efforts.

Funded by World Bank’s GIIIF and in collaboration with Risk Shield and two insurers, we are testing this approach in Zambia, a country where index insurance products reached more than 50,000 farmers last season but where market development is still hampered by a low understanding of the policies among both farmers and sales agents. Working with several providers, we have developed a generic approach to improving the consumer education process. It is embedded in the current distribution process and educates farmers through various customer touch points. Fifteen agents were trained by us and Risk Shield consultants and equipped with simple guidelines and visual teaching aids such as posters. They will follow a structured process, which will be evaluated after the season ends in April 2017.

4. New metrics and tools to promote customer-centricity at the country level

One of the main ways of developing markets is to build trust among low-income consumers. For this to happen, insurers (and all other stakeholders) need to understand the market and craft a value proposition for specific segments. The Facility has a number of tools to build a customer-centred culture within providers. In 2016, the Facility started developing the second version of the PACE tool, to create a revised, more quantitative and easier-to-use tool that insurers can use to evaluate and improve their offerings effectively.

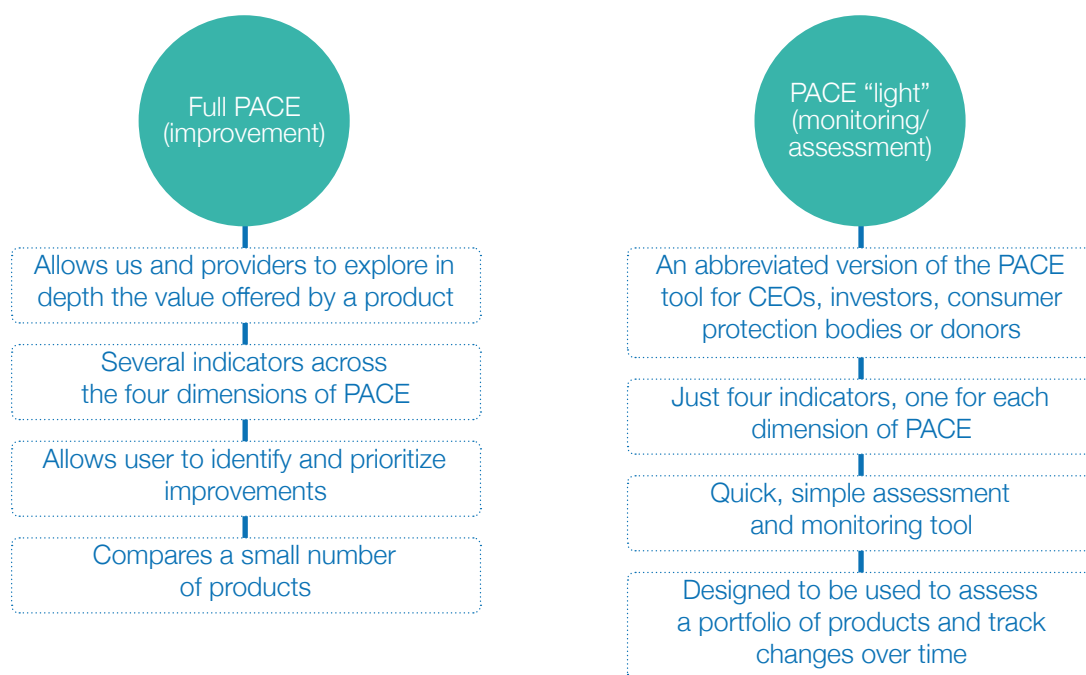
The PACE 2.0 project will lead to two levels of PACE: “PACE for improvement” and “PACE for monitoring/assessment”. The first level, PACE for improvement, can be used by insurers to assess the holistic value of their products by exploring

questions across the four dimensions – Product, Access, Cost and Experience. The aim is to review each product against similar offerings in the market (formal or informal) to assess the key areas where improvement could take place. Each dimension will include 8–12 questions.

PACE “light” or PACE for monitoring is a shorter version of the tool, which will only include four indicators – one per dimension. The tool is aimed at CEOs, investors, regulators or donors who want to perform a quick scan of a portfolio of products to assess how they compare against each other and whether they meet certain benchmarks.

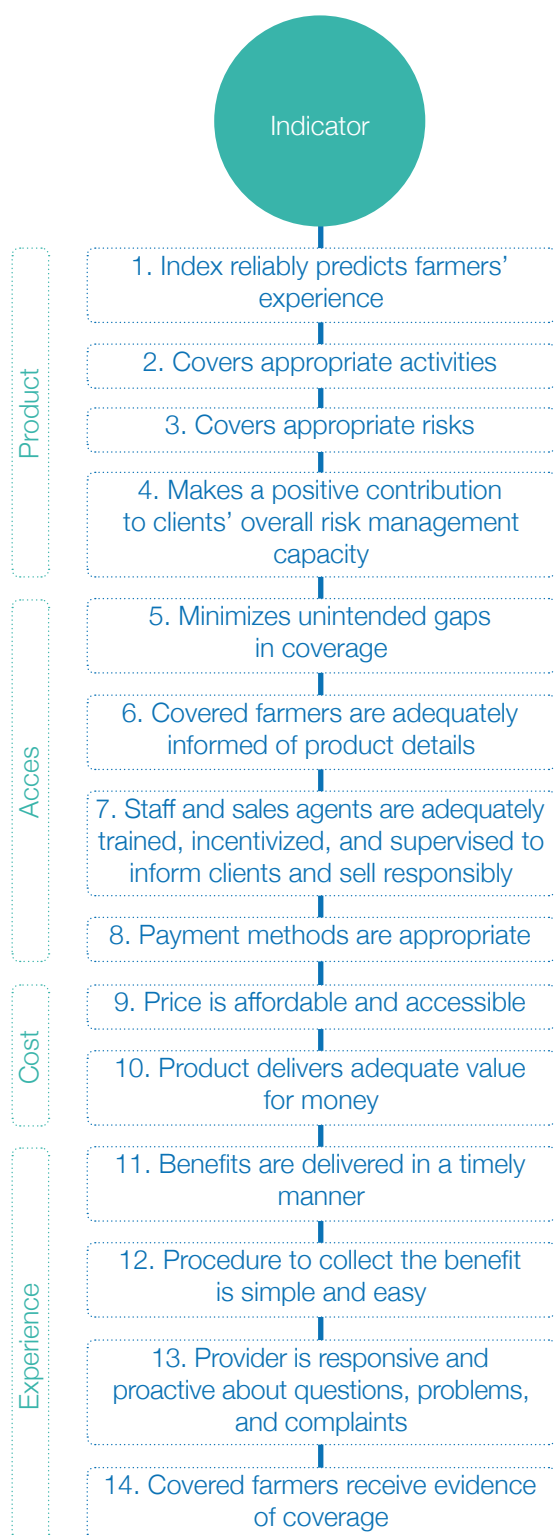
The Facility is currently in the process of testing the PACE “light” tool with 12 organizations to define the most appropriate indicator for each dimension.

FIGURE 12. THE FACILITY’S TWO PACE TOOLS



In addition, the Facility and the GAN working group have developed a new version of the PACE tool to assess the client value of weather-based index insurance products. The tool has been tested on six cases in five countries (Zambia, Sene-

gal, Ethiopia, Peru and Kenya) and its final version will be released in the first half of 2017. As shown in Figure 13, the tool relies on 14 key indicators, which are assessed using various data sources, including farmer surveys.

FIGURE 13. A DRAFT VERSION OF THE
FACILITY'S NEW PACE TOOL FOR WEATHER-
BASED INDEX INSURANCE PRODUCTS

5. Sensitizing policy-makers about the role governments can play in developing weather-based index insurance

Governments have a critical role to play in making agriculture insurance products more accessible and responsible. They can impact the development of weather-based index insurance by investing in infrastructure to capture weather and yield data, providing smart subsidies, leveraging agriculture extension services, conducting national education campaigns, and drafting conducive regulation and consumer protection. Insurance has to be part of a broader strategy that creates capacities and incentives for agricultural risk management. Lastly, insurance mechanisms can be used for social protection purposes in the form of a fully subsidized agriculture risk management scheme for the poorest.

Despite this potential, scale, quality and equity are hampered by lack of strategic involvement of governments in developing countries. Hence, the Facility together with the World Bank and International Agriculture for Development (IAFD), under its GAN project (funded by USAID/BASIS/I4) has designed an intervention to raise the awareness of policy-makers from selected countries, in order to stimulate more government involvement in agriculture insurance. This initiative will target those markets that are about to expand their insurance offerings, such as Kenya, Senegal and Bangladesh, and build on lessons from other emerging markets that are more advanced in their journey. The initiative will use the peer learning methodology that the Facility has used for other projects. A peer learning platform will be created for a limited number of champions from selected developing countries, who can become change agents to drive progress. The programme will start with a group of 8–10 countries, which can be expanded to 12–15 countries. A mix of peer exchanges, peer coaching, knowledge-sharing events and training sessions will be used to convey key messages based on the most recent evidence and equip the governments with tools to make the change happen.



Coming up in 2017

- First results from the new innovation projects, including change management at insurance companies to effectively serve the low-income market segments.
- Continued effort to create sustainable capacity-building infrastructure with the focus on adding a global executive course with a recognized business school for those participants who take several courses locally
- Release of PACE 2.0 and new tools to evaluate client value from index insurance schemes
- Additional activities to promote responsible insurance through codes of conduct, and consumer protection and education
- Resolving actuaries' problems through testing collaborative data banks in Kenya
- More awareness-raising activities with governments to lay the foundations for PPPs for agriculture and health insurance
- Expanding to new regions such as the Caribbean



© Truong Van Vi

Keep up with our progress
throughout 2017 by:

[Signing up for updates](#)



[Visiting our website](#)



[Joining us at our events
and trainings sessions](#)



[Connecting with us through social media](#)



[/ImpactinsuranceFacility](#)



[@IIFacility](#)



[/in/impactinsurance](#)

Funders and Partners



This partnership intends to strengthen the resilience to risk of the low-income population in sub-Saharan Africa. With the aim of providing better access to valuable insurance products by stimulating innovation, the project will implement action research interventions to improve scale. It will provide capacity building to partners and the broader industry as well as disseminating new lessons to governments and other relevant stakeholders, in order to influence public policy.



This partnership aims to support and enhance the development of microinsurance markets in African countries through market facilitation, sharing of good practices and building capacity of practitioners and training institutes.



With the support of UK Aid, the Facility and Financial Sector Deepening Africa (FSDA) are launching a new partnership to support insurers to provide valuable and scalable insurance solutions to low-income households and SMEs in sub-Saharan Africa. The goal is to work with insurers and distributors to implement organizational change management and product innovation.

Global Index Insurance Facility



The strategic partnership between the Facility and the World Bank Group's Global Index Insurance Facility (GIIF) aims to enhance knowledge of and build capacity for index insurance by drawing out key lessons from the experiences of the GIIF partners, with the support of the Dutch Ministry of Foreign Affairs and the European Union.



USAID
FROM THE AMERICAN PEOPLE



With the support of USAID, and in coordination with the BASIS Index Insurance Innovation Initiative (I4) at the University of California Davis (BASIS), the Facility created the Global Action Network, which is a community of experts and practitioners on agriculture insurance. The project aims to expand innovations in agriculture insurance and ensure proficient implementation on the ground through enhanced co-ordination. We intend to help accelerate the availability and adoption of agriculture insurance (Index insurance) as part of a broader risk management strategy.

Past funders



The Bill and Melinda Gates Foundation gave the ILO an opportunity to pursue its vision in the field of microinsurance. Since its inception in 2008, the Facility has demonstrated commitment in providing viable insurance to the working poor, thereby helping them manage risks better. The Foundation has supported much of the Facility's work, including its innovation grants, and capacity-building and knowledge management initiatives.



The UNCDF supported our market development efforts in Ethiopia, Senegal and more broadly in Africa.



Z Zurich Foundation contributed funding for the Facility's fifth round of innovation grants. This helped innovations in technology and processes in areas that are central to the industry to build scale in an efficient way.



The Facility received support for the publication of *Protecting the poor: A microinsurance compendium* (volume 1 published in 2006; volume 2 published in 2012) from Munich Re Foundation.



The Facility received a grant from the Australian Government to develop five training modules.

Strategic Partners

Global market development facilitators



Health financing



Digital solutions



Capacity-building partners



Agriculture



Global Index Insurance Facility



Acronyms and Abbreviations

AFD	Agence Française de Développement
ASEAN	Association of Southeast Asian Nations
APESEG	La Asociación Peruana de Empresas de Seguros
Cenfri	Centre for Financial Regulation and Inclusion
CGAP	Consultative Group to Assist the Poor
CIMA	Conférence Interafricaine des Marchés d'Assurance (Inter-African Conference for the Insurance Market)
CNAAS	National Agricultural Insurance Company of Senegal
CoP	Community of practice
CPFA	Centre Professionnel de Formation en Assurance (Professional Centre for Training in Insurance)
FSDA	Financial Sector Deepening Africa
GAN	Global Action Network on agriculture insurance
GIIF	Global Index Insurance Facility
GIZ	Deutsche Gesellschaft für Zusammenarbeit (the German international development agency)
GSMA	Global Service for Mobile Association
IIA	Institut International des Assurances (Yaoundé)
IDB	Inter-American Development Bank
PPP	Public-private partnership
PSI	Principles for Sustainable Insurance (a UNEP initiative)
SMEs	Small and medium-sized enterprises
SBS	Superintendencia de Banca y Seguros
UNEP	United Nations Environment Programme
USAID	United States Agency for International Development

Knowledge Products in 2016

MOST POPULAR EMERGING INSIGHTS

El 117: [A preview of the year ahead](#)

Theme: Country experience, Policy and regulation, Improving value;

Source: ILO's Impact Insurance Facility

El 118: [Turning around a struggling hospital cash product](#)

Theme: Other channels, Claims, Sales, Improving value, Health;

Source: FINO PayTech

El 119: [Why metrics matter for customer centricity](#)

Theme: Client interface, Product development, Improving value;

Source: Claire Burns' Keynote Address, The MasterCard Foundation Symposium on Financial Inclusion

El 120: [One message, many benefits](#)

Theme: Promotion, Mobile network operators;

Source: GSMA and Digital Frontier Institute

El 121: [How to customize for small businesses](#)

Theme: Other channels, Sales, Promotion, Demand, Composite products;

Source: ILO's Impact Insurance Facility

El 122: [An under-rated distribution opportunity](#)

Theme: Other channels, Sales, Promotion, Demand, Composite products;

Source: ILO/UPU Paper: "Advancing financial inclusion through access to insurance: the role of postal networks"

El 123: [Balancing sales techniques](#)

Theme: Financial institutions, Sales, Promotion, Consumer education, Agriculture;

Source: CGAP Responsible bundling of microfinance services – A mixed method evaluation of the impact of timing, pressure, and information

El 123: [Balancing sales techniques](#)

Theme: Financial institutions, Sales, Promotion, Consumer education, Agriculture;

Source: CGAP Responsible bundling of microfinance services – A mixed method evaluation of the impact of timing, pressure, and information

El 124: [Making healthcare accessible for small businesses in the Philippines](#)

Theme: Enrolment, Promotion, Health;

Source: Maria Health

El 125: [Index insurance education](#)

Theme: Consumer education, Agriculture;

Source: ILO's Impact Insurance Facility

BRIEFING NOTES

Merry, A. 2016. [Insurance for small businesses](#), Briefing Note 37

Suedekum, G. 2016. [Advancing financial inclusion through access to insurance: The role of postal networks](#), Briefing Note 38

Fonseca, C. 2016. [Helping farmers understand index insurance: Guidelines for consumer education interventions](#), Briefing Note 39

Kessler, D.; de Montchalin, A.; Thimann, C. 2016. [Insurance and economic development: Growth, stabilization and distribution](#), Briefing Note 40

PAPERS

Merry, A. 2016. [Insurance for small businesses](#), Microinsurance Paper 43

Suedekum, G. 2016. [Advancing financial inclusion through access to insurance: The role of postal networks](#), Microinsurance Paper 44

Fonseca, C. 2016. [Helping farmers understand index insurance: Guidelines for consumer education interventions](#), Microinsurance Paper 45

Kessler, D.; de Montchalin, A.; Thimann, C. 2016. [Insurance and economic development: Growth, stabilization and distribution](#), Microinsurance Paper 46

Events

January

Training session: Unlock the demand for your product, Ouagadougou, Burkina Faso

February

Webinar: "The role of governments in scaling up agriculture (index) insurance" (Part 1)

March

Training session: Managing microinsurance distribution, Dhaka, Bangladesh

Training session: Managing microinsurance distribution, Dakar, Senegal

Training session: Market research for microinsurance – How to translate consumer insights into improved results, Dar es Salaam, Tanzania

April

Training session: Key performance indicators for microinsurance, Lagos, Nigeria

Conference: Microinsurance business models for Africa, Mombasa, Kenya

Conference: Agriculture risk mitigation match-making workshop, Nairobi, Kenya

May

Training session: Claims management in microinsurance, Dhaka, Bangladesh

Conference: International Conference Adaptation Futures 2016, Rotterdam, the Netherlands

Conference: Symposium on making agriculture insurance work, Geneva, Switzerland

Forum: GAN working group meetings, Geneva, Switzerland

June

Training session: Managing microinsurance distribution, Manila, the Philippines

July

Training session: Introduction to microinsurance and its business case, Dakar, Senegal

August

Training session: Managing microinsurance distribution, Lagos, Nigeria

September

Webinar: "The role of governments in scaling up agriculture (index) insurance" (Part 2)

October

Conference: Workshop on operationalizing agriculture index insurance, Johannesburg, South Africa

Training session: Providing insurance responsibly, Nairobi, Kenya

November

Training session: Claims management in microinsurance, Lagos, Nigeria

Training session: ASEAN Young Managers Microinsurance Course, Jogjakarta, Indonesia

Forum: Impact Insurance Forum 2016, Colombo, Sri Lanka

Conference: 12th International Microinsurance Conference 2016, Colombo, Sri Lanka

Training session: Building sustainable agriculture insurance programmes, Colombo, Sri Lanka

Conference: Fourth Global Symposium on Health Systems Research - HSR2016, Vancouver, Canada

Training session: Managing microinsurance distribution, Colombo, Sri Lanka

Webinar: "Making inclusive insurance work" webinar series – clients and impact metrics

December

Training session: Providing insurance responsibly, Dhaka, Bangladesh



Meet the Team



Craig Churchill
Team Leader

Craig is the Chief of the Social Finance Programme and the Team Leader of the ILO's Impact Insurance Facility.



Michal Matul
Chief Project Manager

Michal manages the Facility's strategy and operations. He leads the work on customer centricity.



Aparna Dalal
Senior Research Officer

Based in Hong Kong (China,) Aparna leads the Facility's Research and Innovation initiative. She works primarily in mobile services, bundling insurance with other financial services, analysis and documentation.



Moussa Dieng
Market Development Officer

Based in Dakar (Senegal), Moussa supports the Facility's market development activities. He works primarily on the design and coordination of the microinsurance market development strategy in Senegal.



Camyla Fonseca
Knowledge Management Analyst

Camyla supports the implementation of the Facility's knowledge and capacity-building activities. She also leads our consumer education work.



Aida F. Lindmeier
Programme and Partnerships Officer

Aida supports the Facility's donor relations and partnerships, corporate communications and programme operations. She also manages the Facility's Fellowship Programme.



Alice Merry
Research Analyst

Based in Lima (Peru), Alice works with our partners around the world to test and analyse innovative solutions in microinsurance. She is the focal point for market development in Latin America.



Lisa Morgan
Technical Officer

Lisa supports the Facility by providing technical expertise on health insurance in the public and private sectors and offering insights into m-Health, actuarial analysis and strategy development.



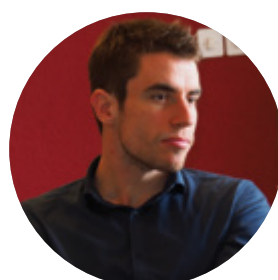
Pranav Prashad
Senior Technical Officer

Pranav is the technical lead on agriculture insurance, alternative distribution channels and mobile services. He is also the focal point for market development in Asia.



Miguel Solana
Senior Technical Officer

Miguel supports the Facility by providing technical expertise on catastrophe insurance and alternative distribution models. He is the focal point for market development in Africa.



Joost Tijdink
Knowledge Management Analyst

Joost supports the Facility's knowledge and capacity building activities, including the communication and outreach.

We would like to thank Jasmin Suministrado for her outstanding contribution over the years.

Interns made valuable contributions to the Facility in 2016. Special thanks to Megha Palkar and Thibaud Smerko for their dedication.

Our fellows



Edgar Aguilar
ILO Impact
Insurance Fellow

Edgar is hosted
by [Barry Callebaut](#)
(Abidjan, Côte d'Ivoire)



Marieme Ba
ILO Impact
Insurance Fellow

Marieme is hosted by
[AXA Mansard Insurance](#)
(Lagos, Nigeria)



Queenie Chow
ILO Impact
Insurance Fellow

Queenie is hosted
by [MicroEnsure Holding](#)
Limited (Nairobi, Kenya)



Olisa Gravney
ILO Impact
Insurance Fellow

Olisa is hosted
by [Nyala Insurance](#)
(Addis Ababa, Ethiopia)



Nuno Meira
ILO Impact
Insurance Fellow

Nuno is hosted
by [CNAAS](#)
(Dakar, Senegal)



Cedric Roux
ILO Impact
Insurance Fellow

Cedric is hosted by
[SUNU Assurances Vie](#)
Côte d'Ivoire (Abidjan,
Côte d'Ivoire)



Sarfraz Shah
ILO Impact
Insurance Fellow

Sarfraz is hosted
by [APA Insurance](#)
Limited (Nairobi, Kenya)



Saurabh Sharma
ILO Impact
Insurance Fellow

Saurabh is hosted by
[Britam General Insurance](#)
(Nairobi, Kenya)



**Enock Kipkemboi
Sing'oei**
ILO Impact
Insurance Fellow

Enock is hosted by [Kifiya](#)
(Addis Ababa, Ethiopia)



IMPACT INSURANCE

**Social Finance Programme
Enterprises Department
International Labour Organization**

4, route des Morillons
CH-1211 Geneva 22
Switzerland

Tel.: +41 22 799 6478

Fax: +41 22 799 6896

Email: impactinsurance@ilo.org

Web: www.ilo.org/impactinsurance

This is the ninth Annual Report of the Impact Insurance Facility.

Housed at the International Labour Organization, the Impact Insurance Facility enables the insurance industry, governments and their partners to realize the potential of insurance for social and economic development.

The Facility was launched in 2008 with generous support from the Bill and Melinda Gates Foundation, and has received subsequent funding from several donors, including the Z Zurich Foundation, AusAID, Munich Re Foundation, the World Bank and the Government of Netherlands, USAID, Agence Française de Développement, Africa Re and FSD Africa.



ISBN 978-92-2-130477-7



9 789221 304777