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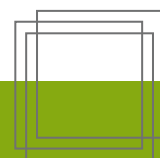
# Annual Report 20 17

SOCIAL FINANCE  
& IMPACT INSURANCE





Annual  
Report  
**20  
17**



SOCIAL FINANCE  
& IMPACT INSURANCE



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# PREFACE



For the past six years I have been responsible for two distinct portfolios. One has been the Impact Insurance Facility, which works with insurance stakeholders to test new products and approaches designed to make formal risk protection available to those who need it the most. In addition to this, I have been overseeing the work of the Social Finance Programme as a whole, which has included a number of other exciting efforts to engage with different types of financial stakeholders, including investors, policy-makers and the ILO's social partners (trade unions and employers' organizations), as well as the public at large.

Interestingly, in recent years the lines between the insurance and the non-insurance work have become blurred. From the Facility's work, it has become clear that insurance is just one tool that the working poor can use to manage risks; but to maximize its impact, it should be combined with emergency loans, savings and risk prevention. And on the Social Finance side, with the growing challenges of climate change, it has become apparent that if small enterprises are to grow and create jobs, they need to have access to both productive and protective inputs.

Consequently, this year's Annual Report reflects the work of the entirety of the Social Finance Programme. Besides the Facility, we have a team that works on financial inclusion and financial education, which includes supporting the development of small enterprises. We also work with impact investors to ensure that they consider the social (and environmental) effects of their investments. And through the ILO's International Training Centre in Turin (ITC-ILO), we are actively involved in building the capacity of financial institutions, policy-makers and other stakeholders.

Together, the two wings of the ILO's Social Finance Programme see the financial sector – banks and credit unions, insurance companies and investment funds – as powerful partners in the pursuit of the Sustainable Development Goals, especially **Goal 8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.**

However, for the ILO, engagement with the financial sector is a means to an end. Enabling people to have access to financial services is a first step, but for those services to contribute to sustainable development, they need to create jobs, especially for young people, and support women's enterprises, improve working conditions, reduce vulnerability, prevent child labour, assist migrants, and formalize informal businesses, among other things. These things are all elements of the ILO's Decent Work Agenda.

Consequently, the ILO has an interest in ensuring that financial markets contribute to decent work through sustainable and equitable economic growth. However, the path towards building these markets is strewn with challenges. Despite significant progress in recent years, globally two billion adults remain unbanked.<sup>1</sup> Even if financial services are available, access to the full range of services – credit, insurance, payments and savings – might be limited or unaffordable, or the services might not be particularly suited to the needs of the population.

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<sup>1</sup> World Bank: Global Findex 2014, [www.worldbank.org/globalfindex](http://www.worldbank.org/globalfindex) [accessed 9 November 2017].



To help financial markets to live up to their development potential, the Social Finance Programme adopts a basic four-step process, illustrated in Figure 1. We begin by working with the financial sector to test new approaches (see pages 12-23), and then document their results, including both the successes and the challenges. We then share that information widely through a range of channels, both virtual and in-person. One critical means of dissemination is capacity building, so we have repackaged many of the lessons that we and our partners have learned into training materials and case studies that we can use to raise awareness about effective approaches (see pages 24-36). And lastly, we seek to apply these lessons to encourage the development of an equitable financial sector by engaging with stakeholders, including policy-makers, practitioners and beneficiaries (see pages 38-45).

This process is rearticulated as the three “initiatives” presented, in the diagram on the following page, which summarizes the overall strategy of the programme.

In 2017, the ILO’s Social Finance Programme is beginning to evolve from two distinct teams into an integrated, and potentially more impactful unit. Hopefully through our work, we will succeed in getting the financial sector to contribute further to equitable and sustainable development.

FIGURE 1. THE SOCIAL FINANCE APPROACH



This work has been possible through the power of partnerships at many levels. At one end of the spectrum are donors who value the ILO’s technical input and are willing to fund our activities. And at the other end are the implementing partners – the banks, insurance companies, investors, social partners and others – who are willing to try a new approach to their business model, a social finance approach. We genuinely appreciate the collaboration with all of these partners, and look forward to continuing to engage with you in 2018.

*(Signature)*

CRAIG CHURCHILL  
Chief, ILO’s Social Finance Programme

# OUR PROCESS FOR CREATING IMPACT

## THREE INTER-LINKED INITIATIVES

### TESTING NEW APPROACHES

Learn to innovate with key players to push the financial service frontier to make its impact more equitable



- Support innovation projects with leading providers
- Maintain partnerships with think-tanks
- Undertake focused evaluations
- Conduct action research



### KNOWLEDGE AND CAPACITY BUILDING

Document lessons and translate them into practical solutions, act as a global knowledge hub and build the capacity of key stakeholders



- Develop a practice-based training curriculum and tools
- Coordinate peer-to-peer learning and communities of practice
- Create a sustainable capacity-building infrastructure: e-learning and partnerships with local and regional training providers
- Host one of the world's largest resource centres on financial inclusion



### ACCELERATING THE DEVELOPMENT OF AN EQUITABLE FINANCIAL SECTOR



- Facilitate stakeholder coordination
- Strengthen financial service providers through “innovation” funds, training and technical assistance
- Stimulate demand by building trust in financial services
- Enable financial service users to take informed financial decisions through financial education
- Encourage investors to consider the social and environmental impact of their investments
- Promote an enabling environment



## GUIDING PRINCIPLES

## SUCCESS INDICATORS

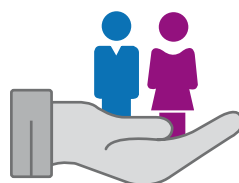
LEADERSHIP IN  
CONSUMER-  
CENTRED  
SOLUTIONS

DRIVEN  
BY EVIDENCE AND  
EXPERIENCE-BASED  
LEARNING

STRONG  
PARTNERSHIP  
CATALYST



Reached scale



Ensured client value



Improved practice



Shared solutions



Accelerated  
sector development

# HIGHLIGHTS 2017



Engagement with central banks and policy-makers to shape and implement national financial inclusion and education strategies. Our collaboration with Bank Al Maghrib in Morocco was sealed by the Governor of the bank and the ILO's Director General

Expansion of insurance activities in collaboration with the Munich Climate Insurance Initiative, the Ford Foundation, FSD Moçambique, AXA and GIZ



Facilitation of effective dialogue among insurance practitioners, policy-makers, researchers and financial education certified trainers using various methodologies such as communities of practice

Five additional Impact Insurance Fellows joined the Fellowship Programme to support projects in Africa, Asia and the Caribbean



Continued capacity building of financial sector practitioners through training courses, knowledge events, publications and other learning tools

MyFinCoop: A new training programme to empower financial cooperative apex organizations and institutions that support them, including policy-makers, to advance the scale and effectiveness of financial cooperatives



Social finance featuring in several Social and Solidarity Economy activities and events

# MEASURING OUR PROGRESS

During 2017 we continued to encourage innovative approaches to some of the most important issues facing the financial sector, and then shared those insights with relevant stakeholders. Below are a few of the indicators showing the impressive results we achieved with social finance and insurance professionals, as well as with their clients.



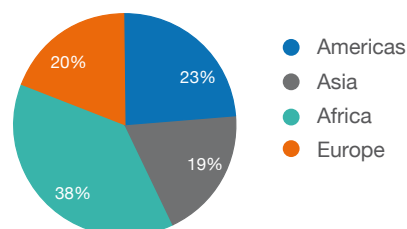
Reached scale

Reaching  
**559,000**  
clients

## Supported the extension of responsible financial services to more than 559,000 clients

In 2017 our active projects reached over 559,000 low-income households, smallholder farmers and MSEs, largely in Africa. Cumulatively, we have supported organizations that have benefited more than **3.8 million clients** since 2008.

FIGURE 2. PEOPLE REACHED, BY REGION



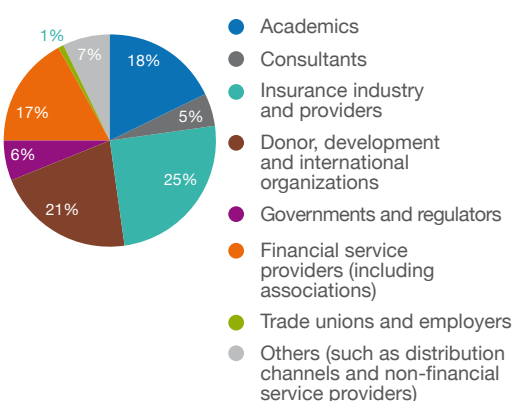
Shared solutions

Sharing  
cutting-edge  
solutions with over  
**49,000**  
stakeholders

## Shared cutting-edge solutions with over 49,000 stakeholders

Since 2008 we have shared financial sector insights and experiences with over **242,000 stakeholders** around the world (of which 50 per cent were women), providing them with cutting-edge solutions. In 2017 alone, we reached over **49,000 stakeholders**, including **3,800** through **direct interactions** such as training courses, events and webinars. The remainder consisted of subscribers and those reached through our website and social media. As illustrated in Figure 2, this outreach was fairly balanced across geographical areas, and it included quite a diverse set of stakeholders (see Figure 3).

FIGURE 3. PEOPLE REACHED, BY AUDIENCE TYPE



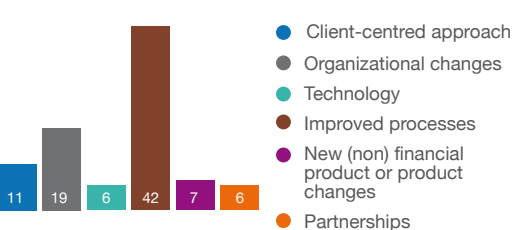
Improved practice

Improving  
the practice  
of **80**  
organizations

## Improved the practice of 80 organizations

During 2017, **80** organizations reported improvements as a result of our work with them, either through capacity building or partnering with us to implement projects. The improvements, summarized in Figure 4, include changes in organizational structure to the introduction of a new product and process improvements.

FIGURE 4. TYPES OF IMPROVEMENTS ACHIEVED



## Progress achieved on policy-making

In 2017, we advised central banks and other government institutions in at least eight countries on their national policies or strategies on financial inclusion, financial literacy and rural finance. In addition, we supported industry associations such as the Social Performance Task Force and the Association of African Development Finance Institutions with technical input on social finance concerns.



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# 1 LESSONS LEARNED IN 2017

## 1. Trade unions play an important role in enhancing workers' access to finance

Trade unions are in touch with millions of workers around the world, many of them vulnerable and excluded from the formal financial sector. In this context, trade unions play a tremendous role in enhancing the financial inclusion of their members. Many trade unions have set up savings and credit cooperatives with and for their members, while others have partnered with financial institutions to offer more complex financial products, such as insurance. Their large membership base allows them to negotiate favourable rates with financial institutions.

Some trade unions, such as the Trade Union Confederation in Japan or the National Trade Union Congress (NTUC) in Singapore, have even created union-owned financial institutions that

have become quite successful. For example, in the case of NTUC, in the 1970s, the union created an insurance cooperative society called NTUC Income. Over the years it has become a leading insurance company serving all segments of the country's population.

Such activities are increasingly important for trade unions. Decreases in union membership around the world are translating into reduced revenues from membership fees. As a result, unions need to find alternative sources of income and new ways to attract members. Innovative financial services are proving to be an important way to do so.

*Find out more about our work to promote [financial inclusion with unions](#).*





## 2. In-house market research supports ambitious change

AXA Mansard, the first insurer to launch a mobile microinsurance solution in Nigeria, created a strategic focus to reach low-income households. The insurer established a dedicated Emerging Customers unit, however, ensuring that this initiative was well understood across the company was a challenge. Usually, the focus of the company's business units is the attainment of their key performance indicators, which made it difficult to persuade them to take an interest in the long-term change management required to serve new markets.

A single market research initiative with low-income households helped change this. Previously, the company had outsourced market research to consultants, but this time it was directed in-house. The composition of the

core research team reflected the whole insurance value chain, from client-facing functions to internal operations. This provided an important opportunity to demonstrate to staff members how their particular expertise and roles at AXA Mansard contributed to understanding and serving the emerging customer base. Moreover, seeing the opportunities to serve this segment first hand helped persuade staff across the company that the emerging customer focus was not only a project but an issue relevant to the entire organization. As a result, new ideas about emerging customers have even begun to be put forward by those working outside the unit.

Find out more about how to bring about change in insurance companies in our blog series run jointly with FSD Africa: [Managing Change](#)

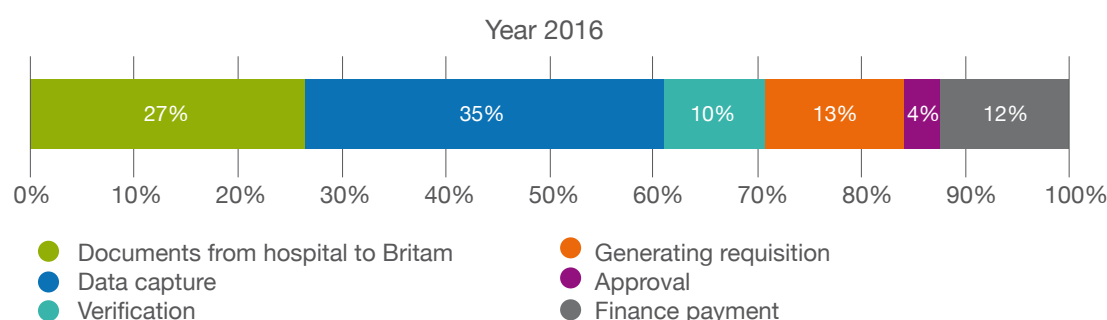
### 3. Getting claims processing right is crucial

Two examples have shown the importance of getting the claims process right. Britam in Kenya struggled with the slow processing of its medical claims for several years. This caused payment delays and dissatisfaction among its partner hospitals, some of which threatened to leave the network. Furthermore, the insurer's helpline was constantly flooded with queries from hospitals and clients, 49 per cent of which related to claims payments and pre-authorizations for inpatient claims. As a result, Britam decided to conduct a diagnostic review of its claims process, measuring the average time taken at each step, in order to identify bottlenecks (see Figure 5). This required the insurer to analyse multiple fragmented data hosted on different IT systems and draw up new process maps to reflect the actual workflow for each type of claim before the review could begin.

936 million Philippine pesos (US\$ 19 million) of premiums. It issued more than 18 million policies in 2016. Pioneer views its focus on claims as one of the two vital factors contributing to this growth. The company was able to establish itself as “the insurer that pays claims” by setting up a unit dedicated to the low-income market and giving it the authority to do its own underwriting and settle its own claims. This allowed it to develop its own guidelines and standards, and to reengineer operations to accommodate the realities faced by this market segment.

Find out more about the company's growth in the [Pioneer Microinsurance Case Brief](#).

FIGURE 5: CLAIMS PROCESSING TIME AT BRITAM, BY STEP



After the initial analysis, Britam was able to break down its claims process into constituent steps and measure the time taken for each. The two main bottlenecks identified were the time taken by hospitals to send the claims documents to Britam and the time spent entering data from physical documents into the IT system. The insurer is now overhauling its claims process to address these two issues and reduce the overall claims processing time.

Find out more in our Emerging Insight on [“Getting to the bottom of claims turnaround times”](#).

A case from the Philippines also highlights the importance of paying attention to claims processing. Ten years after it began offering insurance to low-income households in 2007, CARD Pioneer Microinsurance works with almost 100 institutional partners and has generated

### 4. Impact investing can make a difference

Investors are becoming increasingly aware of the need to take into account social and environmental concerns in the way they conduct their business and in selecting the projects they finance. Some investors have even made it a priority to create positive development impacts, by investing in high-impact sectors like health, education, housing or agriculture.

Although an array of sustainable finance initiatives exist, investors often lack the knowledge needed to implement social, environmental, and development principles effectively in their operations. Our work with impact investors has suggested that using the Sustainable Development Goals for defining the framework and the indicators for measuring social, environmental and developmental impact is a good departure point.



As a framework, the Sustainable Development Goals allow impact investors to direct their activities effectively and provide a platform for their work. In addition, capacity building on social and environmental risk and impact management are vital. In 2017, we started piloting capacity building workshops on this topic as part of our collaboration with the Africa Agriculture and Trade Investment Fund. For these activities to be successful, we found that they must be part of the broader capacity-building strategy of the institution. Furthermore, such activities should not be restricted to staff who are directly implementing social and environmental management measures. Rather, they should also target managers and directors responsible for monitoring and providing strategic guidance.

Find out more about our work on [impact investing](#).

## 5. Bundling brings value to the agricultural value chain

Bundling agriculture insurance with other services like credit and farming inputs, is emerging as a way of making insurance more tangible, achieving better social outcomes and enabling schemes to scale faster. In Zambia, NWK Services, a contract-farming manager, offered weather-index insurance to 80,000 cotton farmers, to attract more farmers and address problems of farmer loyalty and side-selling. The weather insurance was offered as a voluntary product, along with inputs given on credit. It protected farmers against a severe dry spell or excess rain. In addition, NWK offered free life insurance to those farmers who delivered their cotton early and repaid their loans in full. Tens of thousands of farmers got access to life insurance (most were first-time insurance customers) and approximately 7,000 farmers bought the weather index insurance. NWK noticed a positive impact on its business, with increased deliveries and reduced side-selling. In addition, NWK recovered a much greater proportion of the in-kind credit given to insured farmers, compared to the amounts recovered from non-insured farmers. Following droughts, pay-outs were made and these timely benefits made it easier for farmers to repay their loans and replant their fields.

Find out more in our paper on [“Bundling to make agricultural insurance work”](#).

## 6. Central banks are effective partners for promoting financial education

Greater financial inclusion can increase poor people's income and improve their overall well-being. At the same time it can change the behaviour of both firms and consumers in ways that could jeopardize financial stability. Realizing this, many central banks consider it as part of their prerogative to get involved in financial inclusion in such a way as to spur economic growth and address inequality. They are also aware that more readily available and complex financial services could make consumers more vulnerable. Central banks consider financial education to be a key component of a strategy and intervention in financial inclusion hence they are increasingly involved in setting up and implementing financial education strategies.

The ILO works with central banks and financial regulators to create the right legislative and regulatory environment and the necessary infrastructure to support an extensive offer of financial services. One example of ILO's work is our partnership with Bank Al Maghrib (Central Bank of Morocco), where the ILO provided tools, methodologies and processes to support the framing and implementing of a financial education strategy at the national level. Through this strategic partnership, 536 trainers were trained, and they rolled out the financial education programme to 95,500 beneficiaries.



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## 2 TESTING NEW APPROACHES

Given the inequality present in many economies, it is clear that financial markets often do not work for the majority of the population. Consequently, the ILO's Social Finance Programme works with the financial sector and governments to test new products and approaches that could benefit low-income households, small and medium-sized enterprises (SMEs) and the economy as a whole – not to mention the financial institutions themselves. This section illustrates some of the innovative solutions that the ILO is currently testing and/or documenting: (1) with banks and credit cooperatives in Indonesia, (2) on the social and solidarity economy, (3) with insurance companies in Africa, (4) to protect farmers and SMEs from adverse weather, particularly in light of climate change, and (5) to support the extension of national health insurance programmes.

### PROMISE IMPACT for banks and credit cooperatives in Indonesia

Promoting Micro and Small Enterprises through Entrepreneurs' Access to Financial Services (PROMISE IMPACT) is a three-year programme developed by the ILO in partnership with the Government of Indonesia and the Swiss State Secretariat for Economic Affairs (SECO). PROMISE IMPACT promotes employment and productivity by helping micro and small enterprises (MSEs) to access appropriate financial and non-financial services. This innovative approach comes as a response to the fact that financial institutions do not usually offer training to these enterprises. A critical objective of the project is to assess if

there is a business case for the financial service provider to offer non-financial services such as training: do they get a return on their investment for example through lower loan losses and higher customer loyalty? This project in Indonesia is a test case, and if the financial service providers are able to justify these investments in non-financial services, on the grounds that it benefits their clients and themselves, then we hope to replicate this model in other countries to see if we are able to generate similar results.

The project works at three levels: with financial institutions, with entrepreneurs and with policy-makers. On the supply side, the programme helps financial service providers to incorporate specific development objectives into their operations and adjust their strategies and services accordingly. On the demand side, the programme helps MSEs to access financial services, enhance their productivity, and make effective and prudent use of finance. Lastly, on the policy and regulatory side, the programme supports the formulation and implementation of policies and regulations to promote responsible financial inclusion.

In 2017, PROMISE IMPACT signed agreements with six financial service providers to undertake pilots, with seven more to be added in 2018. The pilots were developed after these providers had carried out a survey to help them understand their clients' preferences and priorities better. The results showed that clients wanted support to increase their market share and improve their financial planning.

Besides piloting social performance measures, the project has helped build the capacity of financial service providers so that they can deliver better services to their clients. The project emphasizes the importance of building local capacities, to ensure that more financial institutions can be reached and results can be sustained. In this regard, the project has supported the training of national trainers who have been certified to deliver the ILO's acclaimed "Making microfinance work" training programme (see page 29).

## Social finance in the Social and Solidarity Economy

One of the new economic approaches that is attracting interest is the Social and Solidarity Economy (SSE). The ILO defines SSE as a concept designating enterprises and organizations – in particular cooperatives, mutual benefit societies, associations, foundations and social enterprises – which have the specific feature of producing goods, services and knowledge while pursuing both economic and social aims and fostering solidarity.

In 2017, with funding from the French government, we initiated research to gather evidence on the impact of the SSE and social finance on sustainable development and the future of work. The research not only examined how innovative social finance mechanisms can make the most of the SSE, but also to what extent specific SSE initiatives can improve access to finance to facilitate self-employment. Our research included a global analysis illustrated by 12 case studies, which highlights relevant initiatives from SSE entities and innovative social finance mechanisms and instruments in France, Belgium, the Netherlands, Senegal, Morocco, Argentina, the Philippines and South Korea.

Social impact bonds, crowd funding and complementary currencies are among the social finance instruments that were investigated. Preliminary findings of the research were presented at international events, including the 9th Social and Solidarity Economy Academy, held in Luxembourg in September 2017, and the World Forum of Local Economic Development, held in Cape Verde in October 2017. With the lessons learned from this research, which will be widely disseminated in 2018, we aim to bring a Social and Solidarity dimension to international debates on sustainable development, stimulate social finance innovation and inform policy development.





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## Catalysing insurance developments in Africa

In partnership with the Agence Française de Développement (AFD) and Financial Sector Deepening Africa (FSDA), we are supporting twelve organizations in sub-Saharan Africa (see Figure 6) to provide the low-income population with better access to valuable risk management solutions.

The ILO and our Impact Insurance Fellows (see Box 2) provide support to insurance partners on product development and innovation management, including targeted technical assistance for market research, product design and pricing, marketing and education, distribution, process mapping, costing and pilot testing.

Our partners are working on a range of innovations (see Insurance innovation partners on page 51), including life insurance for cocoa farmers and savings-linked weather protection for tea farmers, as well as livestock insurance for pastoralists and dairies. In addition, our partners are experimenting with new distribution channels, including digital platforms and mobile insurance (see Box 1), off-takers for smallholder farmers, and low-cost sales agents.

The projects are part of a community of practice that aims to promote knowledge exchange and cross-country learning. The wide range of insurance products and delivery approaches is producing rich lessons, which we are sharing with the broader industry through webinars, Emerging Insights and blogs (see Knowledge products on page 53-54).



FIGURE 6. INSURANCE INNOVATION PARTNERS IN AFRICA







### **BOX 1: EFFORTS TO GO DIGITAL – EXAMPLES FROM EQUITY INSURANCE AGENCY, MICROENSURE AND KIFIYA**

Technology is expected to be the driving force behind reduced costs and extended coverage to low-income households. Insurers and distributors are making efforts to “go digital”, but we are learning with our partners that “going digital” means different things for different organizations.

For MicroEnsure, a specialized microinsurance intermediary operating across Africa and Asia, going digital has involved developing a digital platform that supports agents to quickly enrol new policyholders. With a simple enrolment process, the digital system collects basic customer information and provides verification of the user’s phone number. MicroEnsure is also exploring various digital engagement mechanisms, such as using an entertaining love story to educate users about insurance, conducting health advice campaigns, and using automated robo-calls to introduce additional services to customers.

In Kenya, Equity Insurance Agency’s (EIA) digitalization strategy involves using the platforms of Equity Bank and Equitel (a mobile network) to distribute mobile insurance, while exploring new partnerships with digital platforms that would enable it to streamline the value chain and improve access for agents and customers. EIA realized that linking up with digital partners would be a more efficient approach, since they could help the agency reach customers more quickly and less expensively than building digital solutions in-house.

Kifiya Financial Technology is a digital and payment services provider in Ethiopia. Kifiya’s insurance department has developed a digital marketplace that provides insurers with tools for digital underwriting and claims management. The platform enables distribution channels to register clients for insurance efficiently and make financial transactions affordable and accessible.





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Besides encouraging innovation, we have developed a systematic framework for managing organizational change, as entrenched hierarchies and business processes are often the greatest impediments to the implementation of the new approaches required to reach unserved markets.

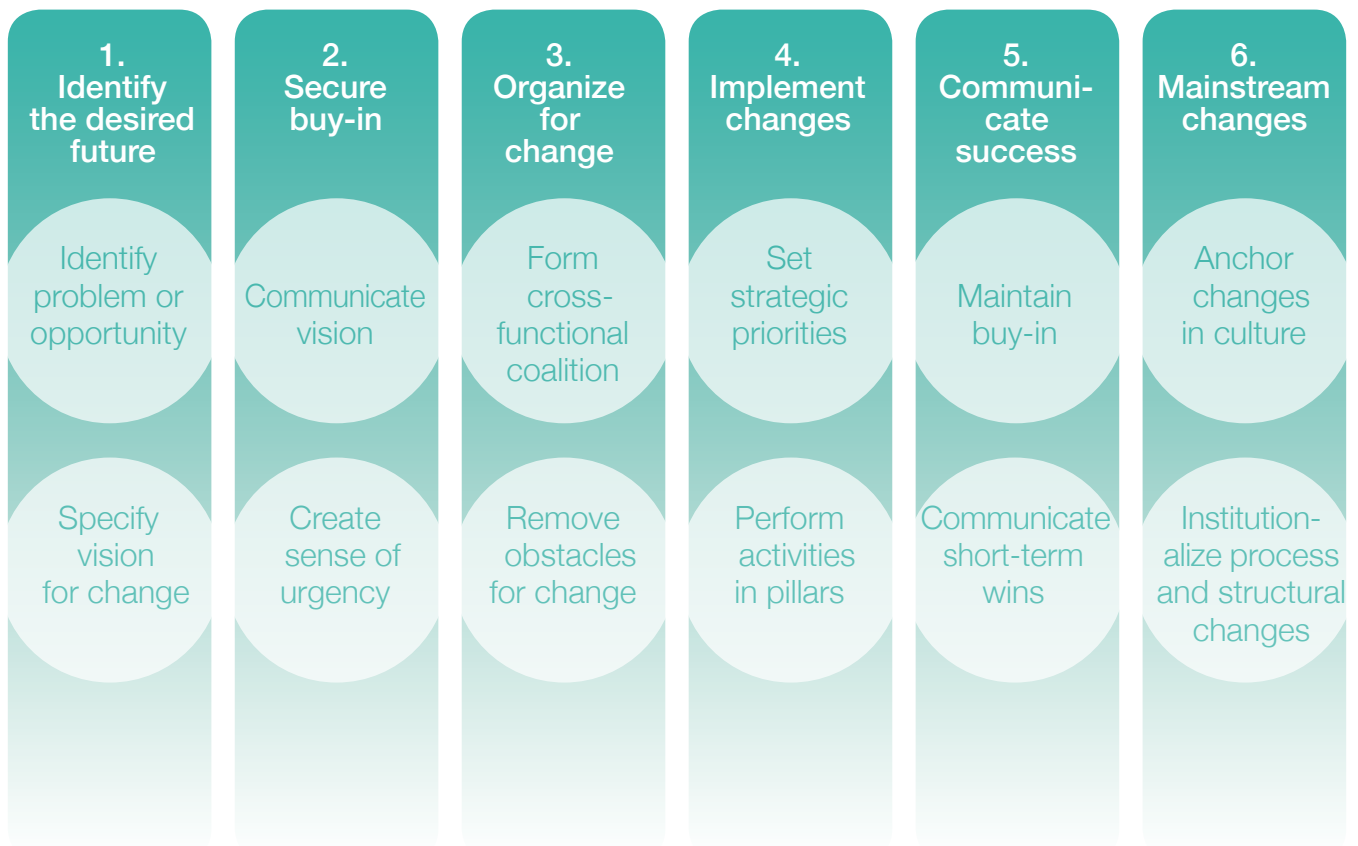
This change management framework lays out the process that organizations should follow to get from their current position to their “desired future”, which could be one or more of the following objectives: serve the low-income market, become more client-centred, become more innovative or become a digital insurer. We have worked with each partner to help diagnose what changes were needed in the following areas: (1)

customer value proposition, (2) distribution and operations, (3) risk management and policies, and (4) governance and people. After a series of diagnostic steps including market research, [PACE evaluation](#), process reviews and distributor assessments, a list of change strategies and activities were defined. These activities were translated into specific tasks and strategies for the projects.

This framework follows a six-step change process, illustrated in Figure 7 and adapted from various approaches.<sup>2</sup> It is designed to focus on the nature of the changes that are required within our partner organizations and the insurance industry.

<sup>2</sup> Adapted from John Kotter’s eight-step process, the Consultative Group to Assist the Poor (CGAP) and SWITCH - Direct the Rider, Motivate the Elephant and Shape the Path.

FIGURE 7. OUR SIX-STEP CHANGE MANAGEMENT FRAMEWORK



Change is happening at different levels within each organization. At Nyala in Ethiopia, for example, the market research exercise conducted with potential microfinance partners has helped the company validate its microinsurance strategy. The biggest alteration that has occurred is a change in mindset at the leadership and management levels, which has involved moving away from a donor-led model and pursuing a market-based

approach, in order to address the needs of the urban poor more effectively. At SUNU in Côte d'Ivoire, on the other hand, the various change management workshops conducted with the middle and top management highlighted a need to create a cross-functional unit that would pursue a multi-channel distribution strategy, in contrast to the previous strategy of working mainly with mobile network operators.





## BOX 2: THE IMPACT INSURANCE FELLOWSHIP PROGRAMME

Impact Insurance Fellows are an integral part of the innovation support that the ILO provides. Fellows are hosted by innovation partners and work with us to provide technical and programme management support.

The Fellowship Programme continued to grow in 2017, with five additional fellows joining the cohort to support partners in Africa, Asia and the Caribbean. The Fellowship Programme matches qualified insurance professionals with organizations working on the frontiers of impact insurance. It is an experience exchange programme, which provides a unique opportunity for professionals to both gain hands-on experience and learn to adapt their expertise to the low-income market.

For example, Khai Sheng Tang is one of the latest additions to our Fellowship Programme. In October 2017 he joined AXA Indonesia, where he is helping to develop insurance products tailored to the needs of customers, especially women and migrants. The key output of this collaboration will be insights into the design and delivery of insurance products for excluded populations, which will be widely shared with the insurance and development communities.

Here are some comments from our current fellows:

"The fellowship programme is an inimitable way of bringing positive change into the lives of low-income people through insurance."

- Sarfraz Shah, Impact Insurance Fellow hosted by APA in Nairobi, Kenya, since August 2016

"For some time now, I have wanted to use my professional skills to create social impact, and this fellowship has provided the perfect platform for me to do so. Working as an Impact Insurance Fellow has given me an opportunity to get first-hand experience of the challenges and joy of working for the under-served. It has provided me with an opportunity to gain insight into and experience of the low-income market, while allowing me to use my skillset to help my host organization."

- Indira Golapakrishna, Impact Insurance Fellow hosted by Equity Bank in Nairobi, Kenya since April 2017

"Each day of the fellowship was an opportunity to learn new concepts and ideas, while at the same time learning to take a different approach to concepts I thought were immutable. The fellowship created an enabling environment for cross-functional initiatives within the organization. The two fundamental outcomes for the host are a greater customer-centricity in the decision-making process, and greater capacity to administer microinsurance and manage side-projects."

- Cedric Roux, Impact Insurance Fellow hosted by Sunu Assurances in Côte d'Ivoire from July 2016 until December 2017



## Insurance and climate change

Climate change is a reality. It can no longer be denied. As extreme weather events increase in frequency and intensity, they lead to loss of income and productive potential, forcing the individuals affected to resort to a variety of desperate coping strategies that include reducing food consumption, taking children out of school, borrowing money and selling assets. These strategies diminish people's ability to cope with the impacts of climate change, both in the present and in the future. As a result, there is a growing need to explore meaningful options for managing and transferring the risks associated with climate change, including insurance. In addition to facilitating a community of practice on index insurance (see Managing communities of practice on page 33), the ILO has engaged

with stakeholders to help them develop relevant products and to enhance the value proposition of their insurance offerings.

In India, we are working with the Ford Foundation and its partners to help farmers manage risks. The Government of India is quite active in promoting insurance to farmers, in particular through its Prime Minister's Crop Insurance Scheme, but the coverage is largely bundled with loans from rural banks. The aim of this particular project, working in four states, is to test other distribution channels, in order to protect farmers who are not taking loans.

The project works to build the capacity of alternative distribution channels, including non-





governmental organizations and community groups, to engage with farmers, with designated insurers and with government institutions, to improve understanding of insurance and set up processes that can help farmers enrol and make claims. In addition, it is experimenting with new ways of improving the claims process, to make it more transparent and understandable for the farmers.

In Kenya, the ILO is partnering with APA Insurance to develop a savings-linked, index-based insurance product to protect tea estates and tea farmers against the risk of weather-related events, as well as providing them with an incentive to save, so that they have funds they can access in times of need. This product has been delayed in getting to market because reinsurance was not available, but that issue has finally been resolved and the insurer is looking for positive developments in 2018.

In Ethiopia, Kifiya Financial Technology is testing how a digital payment platform can be used to make financial and non-financial services affordable and accessible, particularly through public-private partnerships. By engaging with specialized government institutions – the Agriculture Transformation Agency and the Public Finance Enterprise Agency – the project has created a platform for insurance companies to work with government to distribute policies and settle claims.

One of the biggest challenges with climate insurance is the lack of relevant products. In a 2017 survey conducted by the ILO and the Grameen Crédit Agricole Foundation with 36 microfinance institutions in Africa and Asia, death and crop loss were identified as the main risks faced by the institutions' clients, with 29 per cent citing death and 20 per cent citing crop loss. While life insurance products are mostly available to the MFIs surveyed, agriculture insurance remains highly underdeveloped.

Most of the MFIs highlighted that while there is demand for agriculture insurance and it is therefore part of their plans to expand their offering to include such products, they do not have enough capacity or funding to invest successfully in complex products. Funding (28 per cent), technical assistance (24 per cent) and training (24 per cent) were the top three types of support requested by the MFIs.

But it is not just farmers who are exposed to risks caused by climate change. The hurricanes that tore through the Caribbean in 2017 show how vulnerable many countries are to natural disasters. In this context, the ILO partnered with the Munich Climate Insurance Initiative and local insurance companies to improve the capacity of both insurers and distribution channels, and create awareness among consumers in the target countries about index-based weather insurance products (see Box 3).

### BOX 3: CLIMATE RISK ADAPTATION AND INSURANCE IN THE CARIBBEAN

Increasing people's ability to manage climate risk, by spreading this risk among people and across time, can significantly reduce their vulnerability and contribute to their long-term social and economic well-being, especially as part of a range of options that reward risk-aware behaviour. To increase resilience, as well as to encourage people to take sustainable adaptation measures, the Munich Climate Insurance Initiative is implementing the Climate Risk Adaptation and Insurance in the Caribbean project.

As part of this project, MCII has developed index-based weather insurance products aimed at low-income, vulnerable individuals and lending institutions exposed to extreme weather events. In the first phase of the project, the insurance products were introduced in Jamaica, Saint Lucia and Grenada. In the second phase, which started in 2017, the project implementation will be extended to Belize and Trinidad and Tobago.

This partnership between the ILO and MCII focuses on building the capacity of both insurers and distribution channels, and creating awareness among consumers about weather-index insurance products. We are working with financial institutions as well as with insurers and distribution partners to develop better customer outreach programmes in order to improve people's understanding of insurance as both a protective and a productive tool. In addition, we are also exploring opportunities with the Jamaican Employer Federation to provide risk mitigation solutions to its members.

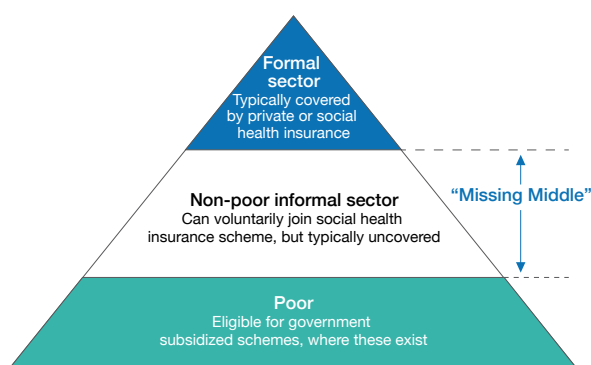
This project is being supported by an Impact Insurance Fellow, Daniel McGree, who started with his host, GK Insurance, in Jamaica in November 2017. "I always wanted to apply my actuarial skills to help those who were less fortunate but I really wasn't sure how. The Fellowship programme offered a unique gateway into the development sector so I could transition from the corporate world and use my skillset to make a difference," Daniel said as he embarked upon his fellowship.

## Extending health coverage to workers in the informal sector

Those tasked with pursuing Sustainable Development Goal 3, to achieve universal health coverage, often encounter a major obstacle in their efforts to extend coverage to workers in the informal economy. A "missing middle" of the population has emerged (see Figure 8). Governments often provide health protection to the very poor through subsidized schemes, while workers in the formal sector generally access health coverage through compulsory employer-based insurance and/or contributions towards social security systems, leaving out those who fall in between. Coverage is often lacking for informal-sector workers and their families because of difficulty identifying and enrolling them, and financing their coverage in an efficient and equitable way.

We work with government health schemes looking to close this gap in population coverage. Solutions differ, depending on the nature of the health system and the policies in place. Broadly speaking, we support governments by identifying innovative ways of targeting and enrolling excluded populations.

FIGURE 8. TYPICAL COVERAGE SCENARIO IN DEVELOPING COUNTRIES WITH A LARGE INFORMAL SECTOR.



Our solutions also offer new ways of improving communication for education and awareness creation, with a focus on optimizing the use of digital technology. Our niche expertise is in the tools and processes to extend coverage to workers in the informal sector, and also proficiency in the financing mechanisms at play in health risk pools. As illustrated in Box 4, the application of this expertise to the public health scheme in Ghana is starting to show results.



## Digital Renewal Project

## Project Successes

### PART 2: TESTING NEW APPROACHES

#### 1. Development of a Process Prototype that:

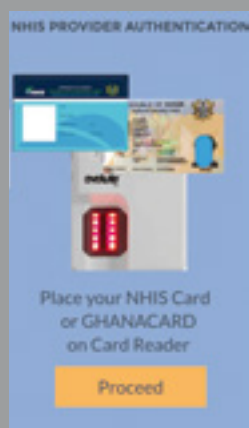
- ☐ Cuts renewal time and effort for members from hours to minutes
- ☐ Easier renewals >> More Renewals >> More Premium Revenue
- ☐ NHIA district office staff refocus on registrations >> More Premium Revenue
- ☐ Potential to reduce adverse selection

#### 2. Development of a secure policy authentication protocol and

- ☐ Policy transfer solution from NHIA to new biometric government
- ☐ Savings in ICT consumables

### BOX 4: DIGITALIZING THE RENEWALS PROCESS FOR THE NHIA, GHANA

The National Health Insurance Authority (NHIA) administers Ghana's national health insurance scheme. Each year, around 11 million members are required to renew their membership at a District Office, which is a major burden both for members and for the administrators. Further, from the point of view of the scheme, there is the danger that the healthy will not renew, while those who are sick will (the problem of selective lapsing by the healthy). This drives up the average claims cost per member. To ensure that the average health of the membership base does not decline, it is important to make the renewal process as easy as possible, and to provide incentives for the healthy to continue their national health insurance service (NHIS) membership. To ensure growth in population coverage, it is likewise important that as many members as possible renew (while new members continue to join).



We are working with the NHIA to digitalize the renewals process, so that it is more user-friendly and efficient. Through the use of Design Thinking techniques, we have helped to prototype various solutions. Research is ongoing and we look forward to piloting the solution in early 2018.

According to Dr Lydia Dsane-Selby, Deputy Chief Executive of the NHIA, "The ILO's Impact Insurance Fellow, Shilpi Nanda, has successfully facilitated the development of an innovative and cost-effective solution for self-renewal of NHIS membership. This in turn has led to more cost-effective and innovative methods of member authentication at provider sites, all within the same project. Shilpi galvanized our staff to find solutions from their own knowledge and expertise, acting as a catalyst. This is a very exciting project to be part of and I eagerly anticipate the impact of the final outcome."



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# 3 CAPACITY BUILDING AND KNOWLEDGE SHARING

Once we have worked with partners to test new approaches, we want to make sure that the lessons we learn from them are shared as widely as possible, particularly with those organizations in the financial sector that can use that knowledge to improve their products and services. This involves a host of different knowledge-sharing activities as well as various capacity-building efforts. This section begins by listing the training events (see Table 1) and continues

by reviewing the 2017 results of four training programmes: (1) Making Microfinance Work, (2) capacity building on inclusive insurance, (3) inclusive finance for workers and (4) MyFinCoop. It then covers the community of practice that we have been facilitating on index insurance, before summarizing other activities aimed at disseminating knowledge.





TABLE 1. TRAINING COURSES PROVIDED IN 2017

Date	Location	Topic
Targeting insurance practitioners		
15–16 March	Dakar, Senegal <sup>1</sup>	Health microinsurance: Getting started
20–21 April	Lagos, Nigeria <sup>2</sup>	Providing insurance responsibly
16–18 May	Puerto Princesa, Philippines <sup>3</sup>	Claims management in microinsurance
17–18 May	Nairobi, Kenya <sup>4</sup>	Managing microinsurance distribution
3–4 August	Lagos, Nigeria <sup>2</sup>	Managing microinsurance partnerships
7–9 August	Dhaka, Bangladesh <sup>5</sup>	Key performance indicators for microinsurance
28 August	Kigali, Rwanda	Providing insurance responsibly
25–26 September	Nairobi, Kenya <sup>4</sup>	Managing microinsurance distribution
27–28 September	Dakar, Senegal <sup>1</sup>	Pathways towards greater impact: Improving your MFI's microinsurance offering
28–29 September	Nairobi, Kenya <sup>4</sup>	Health microinsurance: Getting started
9 October	Addis Ababa, Ethiopia	Implementation of microinsurance programs by MFIs
6 November	Lima, Peru	Unlock the demand for your products: How to deliver what your clients see as value
6 November	Lima, Peru	Promoting microinsurance products: A ten-step planning model
21–22 November	Vientiane, Laos <sup>3</sup>	ASEAN Course «Providing insurance responsibly»

1 Offered with our local partner institute "Centre Professionnel de Formation à l'Assurance"

2 Offered with our local partner institute "College of Insurance and Financial Management"

3 Offered with our local partner institute "Insurance Institute for Asia and the Pacific"

4 Offered with our local partner institute "College of Insurance"

5 Offered with our local partner institute "Academy of Learning"

Date	Location	Topic
<b>Targeting trade unions and financial cooperative apex organizations</b>		
18–22 September	Singapore	Inclusive Finance for Workers in Asia and the Pacific region
14–17 November	Addis Ababa, Ethiopia <sup>7</sup>	Formation of Regional Federation of SACCOs in Ethiopia
4–8 December	Kasoa, Ghana	MyFinCoop in Ghana: a training programme for board members and management staff of the National Credit Union Association of Ghana
<b>Targeting financial service providers and other private sector development stakeholders</b>		
20–24 February	Casablanca, Morocco	ToT on financial education for migrants and their families
6–17 March	Buenos Aires, Argentina	Making Microfinance Work: Managing for Improved Performance
5–9 April	Bizerte, Tunisia <sup>8</sup>	Financial education training for families of migrants
8–10 May	Jakarta, Indonesia	Training for OJK (financial regulator) staff on entrepreneurship
12–24 May	East and West Java, Indonesia	ToT on Start and improve your business for FSP staff
3–7 July	Freetown, Sierra Leone	Improving access to financial and non-financial services for micro, small and medium Enterprises in Sierra Leone
14 July	Bandung, Indonesia	Survey techniques for 14 surveyors from UNPAD
28 August–1 September	Turin, Italy	Making Microfinance Work: Managing product diversification in financial inclusion institutions
9–13 October	East and West Java, Indonesia	Training of loan officers on financial management and marketing
26–31 October	Hammamet, Tunisia	ToT on financial education for counsellors from the employment services and the vocational training centres
Between October 2016 and February 2017	Bogor and Surabaya, Indonesia <sup>6</sup>	Making Microfinance Work: Managing for improved performance – Social Performance management edition – one ToT and two retail trainings
5–16 November	Cairo, Egypt <sup>6</sup>	Making Microfinance Work: Managing for improved performance Target: second tier Egyptian MFIs
6–10 November	East and West Java, Indonesia	Training of loan officers on financial management and marketing
16–26 November	East and West Java, Indonesia	ToT on Start and improve your business for FSPs staff

<sup>6</sup> Offered with local trainers trained by the Social Finance Programme

<sup>7</sup> Offered with our partner the Irish League of Credit Unions Foundation

<sup>8</sup> Offered jointly with the Office des Tunisiens à l'Etranger

22–23 November	Jakarta, Indonesia	Joint-training with OJK on performance management for Regional development banks
27 November–8 December	Turin, Italy	Session on Improving access to sustainable finance in rural areas as part of the curriculum of the Academy on Rural Development
4–12 December	Tashkent, Uzbekistan	Making Microfinance Work: Managing for improved performance
8–9 December	Harare, Zimbabwe	Capacity-building workshop on financial education strategies and tools for the Central Bank of Zimbabwe
10–14 December	Turin, Italy	Session on Access to finance as part of a training on private sector development in fragile and crisis-affected settings
11–15 December	Cairo, Egypt	Making Microfinance Work for Youth: Managing product diversification
13–14 December	Mekassar, Indonesia	Joint-training with OJK on performance management for Regional development banks
Throughout 2017	Jakarta, Indonesia	Trainings on survey techniques for loan officers from partner FSP - in the framework of the PROMISE IMPACT project
<b>Targeting impact investors and impact investing stakeholders</b>		
4 April	Frankfurt, Germany	Introduction to AATIF's Social and environmental safeguard guidelines
19 June	Luxembourg, Luxembourg	Introduction to AATIF's Social and environmental safeguard guidelines
18 May	Frankfurt, Germany	Introduction of AATIF's Social and environmental screening tool
13 October	Germany/Kenya/ Video conference	Deep dive on environmental matters in AATIF's Social and environmental screening tool
13 December	Lusaka, Zambia <sup>9</sup>	Pathways for creating positive impact through finance

<sup>9</sup> Conducted with UN Environment









## Making Microfinance Work

Since 2006, the Social Finance Programme has been teaming up with the International Training Centre of the ILO (ITC-ILC) to offer “Making Microfinance Work” (MMW), a training programme for managers in banks, credit unions and MFIs, designed to strengthen participants’ ability to provide better quality financial services to small enterprises and low-income households, and to help them achieve scale.

MMW is based on two manuals. Volume 1 provides tools that managers can use to improve the strategy, marketing, risk management, organizational architecture, efficiency and productivity of their institution. Volume 2 covers product diversification, as well as the ongoing delivery and maintenance of a diverse portfolio of relevant financial services. The ILO now has 120 trainers certified to offer this course. These materials have now been translated into nine languages and around 3,000 bank and MFI managers have benefited from them over the past decade.

In 2017, a two-week special edition of MMW Volume 1, adapted to reflect recent developments in the area of social performance management and consumer protection, was finalized.

In addition to the core materials of the management course, specific sessions focusing on [universal standards of social performance management](#) were introduced and are now available in English and Bahasa Indonesian. With the support of the PROMISE IMPACT project in Indonesia, a team of five Indonesian trainers was certified to deliver the course after having successfully delivered two courses to 50 microfinance managers in Surabaya and Bandung during 2016 and 2017.

As part of a joint initiative with the CGAP Gateway Academy, ITCILO has also designed an online version of the MMW course, which covers the manager's mandate and human resource management. The course adopts a "micro-learning pills" format that allows participants to take one or two "pills" daily, at their convenience, and complete the course over time. Videos, stories, quizzes and tests are all part of the course. Opportunities for developing an action plan are also embedded in this e-learning format to help participants implement the ideas presented during the course (see Figure 9).

In August 2017, we also piloted MMW Volume 2 in Spanish at the ITCILO in Turin, Italy. The course, attended by a group of senior managers from various financial institutions in Latin America, was very positively evaluated, with an overall satisfaction rating of 4.89 (on a scale of 1–5, with 5 as highest score). Participants appreciated the variety of topics, the linkages between finance and subjects related to entrepreneurship, the interactive methodology used during the training and the quality of the materials. During the MMW trainings organized in 2017, a total of 156 participants were trained. Of the participants trained, 65 per cent were male and 35 per cent were female.

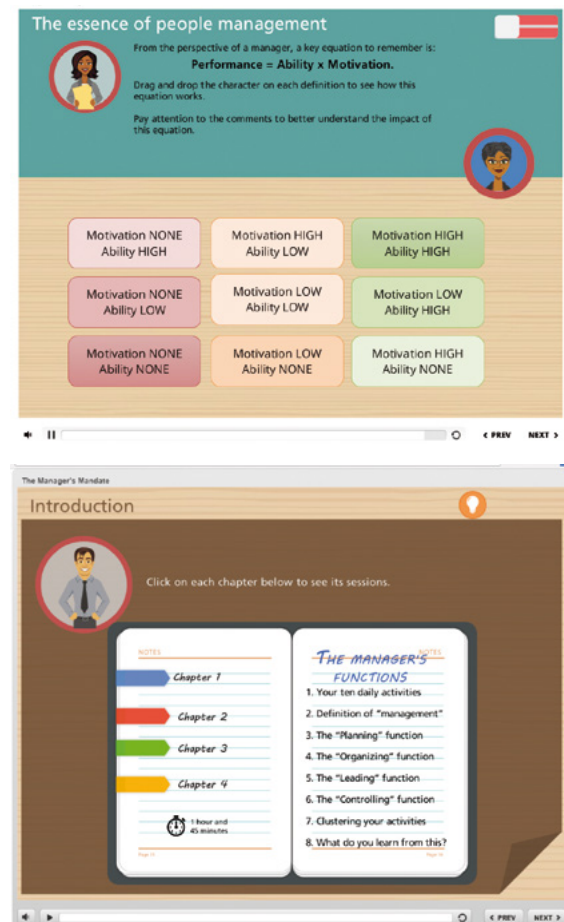
## Capacity building for inclusive insurance

In 2017, we continued to invest in a sustainable capacity-building model that would enable us to reach as many people as possible via partners. This model takes a two-pronged approach. The first prong involves working with local insurance institutes and their trainers, to build their capacity to offer inclusive insurance courses developed by the ILO. As part of their certification, local trainers undergo a series of "training of trainers" courses (ToTs) and support the lead trainers in the delivery of courses in their countries.

Once they are comfortable with the content and the participatory learning methodologies used in these modules, these institutes and certified trainers are ready to offer our courses and charge participants a fee that is sufficient to cover delivery costs.

As part of this strategy, we conducted nine ToTs for our partner insurance institutes in 2017, in

FIGURE 9. TWO "PILLS" FROM THE MMW ONLINE COURSE



Kenya, Nigeria, Senegal, the Philippines and Bangladesh, and awarded the title of "Certified ILO Inclusive Insurance Trainer" to three trainers in Nigeria who successfully met our programme's certification requirements. In addition, we started administering the final certification exam to trainers in Senegal and Bangladesh and we expect to have a few certified trainers in these countries by early 2018.

The second prong of our insurance capacity-building strategy is e-learning. In 2014, we developed the first-ever e-learning course on market research in inclusive insurance. In 2017, we successfully re-launched this course and made it available to practitioners globally (see Box 5). We now have aspirations to convert more of our current modules into this format, to continue to increase our outreach cost-effectively.

### BOX 5: E-LEARNING COURSE, “MARKET RESEARCH: TRANSLATING CONSUMER INSIGHTS INTO IMPROVED RESULTS”

We ran our 11-lesson e-learning course for the second time between February and June 2017. Three mentoring weeks were organized during this period, to help participants plan their own market research. A total of 29 participants, of whom ten were women, including insurance practitioners, consultants, academics and people working in development organizations, successfully completed all the requirements and were awarded a certificate. Much to our delight, the average course satisfaction rating was at 4.60 (on a scale of 1–5, with 5 as the highest) and we received excellent feedback from participants.



“The knowledge I gained through this course has made me more customer-centred in my work. I listen more to the needs, wants, aspirations, preferences and obstacles of our claimants.”  
- Sesinam Ahedor, Underwriter with Star Assurance in Ghana

“I have been working in insurance for 14 years and the course has shown me that there are still many approaches and experiences around the world from which I can learn.” - Armando Caceres, Professor at the Pontifical Catholic University of Peru

“If you are in microinsurance and have not done this course then you probably will not reach the best that you can as an organization. It opens doors of opportunity and will allow you to think outside the box and look at customers with a different eye.” - Munyaradzi Nyakwawa, Account Executive for Financial Inclusion with Econet Wireless Zimbabwe

Even though our ultimate goal is to make training efforts sustainable by transferring the responsibility for delivering training courses to our local partners, in 2017 we continued to deliver some one-off training courses when required. For example, we delivered a course in November 2017 in Vientiane, Laos, in conjunction with the annual meeting of the Association of Southeast Asian Nations (ASEAN) Insurance Council. Focused on the topic “Providing microinsurance responsibly”, this successful training course was attended by 21 participants. Other one-off training efforts include the two courses delivered during the 13th International Microinsurance Conference in Lima, Peru, and the one-day course delivered during the African Microfinance Week in Addis Ababa, Ethiopia.

### Inclusive finance for workers

Although financial inclusion is often associated with people running MSEs, there are many other segments of the population that are excluded from financial markets, including young people, women, rural residents and low-income workers. For this latter group, trade unions are, potentially,

an effective channel for providing, or facilitating access to, savings facilities, credit and insurance.

In September 2017, we conducted a five-day training workshop in Singapore called “Inclusive finance for workers”, in collaboration with the Singapore National Trade Union Congress (NTUC). The workshop aimed to empower trade union leaders in Asia and the Pacific region to improve access to financial services for their current and potential members, by managing financial institutions themselves, by creating partnerships with existing institutions, or through advocacy aimed at specialized service providers.

The training workshop brought together 14 trade union leaders and representatives from 11 countries, namely Bangladesh, Cambodia, Fiji, India, Indonesia, Malaysia, Nepal, the Philippines, Sri Lanka, Singapore and Viet Nam. The programme, organized for the first time in this region, raised a lot of interest among participants. We now intend to provide and/or facilitate follow-up technical assistance to the workers’ organizations that decided to take action to improve access to finance for their members.





## MyFinCoop

One of the channels suitable for extending financial services to rural areas is credit unions, also known as savings and credit cooperative organizations (SACCOs), which typically belong to a national association and are supported by an apex body. Yet in many countries these financial institutions are not fulfilling their potential, and one of the challenges is often the limited capacity at the apex level.

In November and December 2017, we tested and validated a new training programme for financial cooperative apex organizations, called MyFinCoop. Developed in collaboration with the ILO's COOP Unit, the ITCILO and the Food and Agriculture Organization of the United Nations (FAO), the programme aims to empower cooperative apex organizations and other cooperative support institutions, as well as policy-makers, to advance the scale and effectiveness of financial cooperatives.

Two pilot workshops were held in Ethiopia and Ghana. In Ethiopia, the workshop was run in collaboration with the Irish League of Credit Unions International Development Foundation and aimed at stimulating the formation of regional federations of SACCOs. The workshop brought together 17 managers of unions of SACCOs from six regions, as well as policy-makers at national and regional level. In Ghana, the workshop was run for the Ghana National Credit Union Association (CUA), which represents 560 credit unions (over 580,000 individual members) in the country. It brought together 27 CUA board members, managers and policy-makers. These two pilots have confirmed the relevance of this new training programme for both nascent and mature financial cooperative apex organizations. Given the high demand for the training programme, in 2018 we plan to roll it out in other countries in Africa and beyond, to certify local training institutions that can support the dissemination of the programme.

## Managing communities of practice

Besides providing training, another important knowledge management tool is a community of practice, a group of peers who are working on similar issues in different countries or organizations. A community of practice provides them with a safe place to share their knowledge and experience with peers, and potentially to learn from world-renowned experts.

One such community is known as the Global Action Network (GAN). The GAN, a community of experts, academics and insurance practitioners who join to tackle the problems that hinder the effective scaling of agriculture insurance.

This community is facilitated as part of our partnership with the United States Agency for International Development (USAID) and the Feed the Future Innovation Lab for Assets and Market Access I4 Initiative (the “AMA Innovation Lab”) at the University of California, Davis (UC Davis).

Since the first meeting in 2014, GAN working groups have been developing tools and guidelines to support the responsible scaling of agriculture insurance, namely a tool for assessing the client value of index insurance products,

guidelines on bundling agriculture insurance with financial and non-financial services, and guidelines on consumer education for index insurance.

The most recent GAN meeting took place in Geneva in October 2017 and was attended by around 30 participants from reinsurance companies, research institutions and development organizations. During this event, the updated version of the client value tool developed by the GAN, and the results of the application of this tool to five agriculture insurance schemes, were presented to all members of the community of practice for feedback.

Under the auspices of the GAN, the ILO has also worked to create a Peer Learning Platform for Policy-makers. The goal is to enable members from government organizations, ranging from ministries of agriculture and finance to social development organizations, central banks and insurance regulators, to share their experiences and learn from each other about responsible scaling of agriculture insurance. As part of this effort, the first meeting of the Peer Learning Platform for Policy-makers took place in Nairobi, Kenya, in July 2017 (see Box 6).

### BOX 6: THE PEER LEARNING PLATFORM FOR POLICY-MAKERS



On 4 and 5 July, the Impact Insurance Facility, supported by its partners USAID and the AMA Innovation Lab, organized the first meeting of the Peer Learning Platform for Policy-makers. Representatives from Bangladesh, Ethiopia, Ghana, Kenya, Nigeria, Pakistan, Tanzania, Uganda and Zambia, working with a diverse group of public entities, participated in

the two-day event. Discussions focused on how governments and regulatory bodies can make agriculture insurance products more accessible and responsible. To achieve this, several interventions were proposed, including investing in infrastructure to capture weather data, providing smart subsidies, making use of agriculture extension services, conducting national education campaigns, drafting conducive regulation, introducing consumer protection and using insurance mechanisms for social protection purposes.





## Knowledge sharing and dissemination

When we share the lessons learned and experience gained from our innovation work, the Social Finance Programme targets a wide audience, ranging from financial service providers and regulators to industry support organizations. By using a variety of channels to share knowledge on a multitude of themes, our knowledge management strategy recognizes the varied preferences of this diverse audience. In 2017 we remained one of the world's largest knowledge hubs in inclusive finance.

Our online insurance knowledge centre received approximately 68,000 page views, with more than 41,000 visits from 186 countries. We have continued to expand our

written output, with 12 new insurance Emerging Insights, four microinsurance papers, three Social Finance Working Papers, two Social Finance Briefs and one insurance Case Brief released. The year 2017 also saw the launch of a new blog platform, through which Social Finance and its network of experts regularly publish their reflections and discoveries.

As in previous years, we have invested a lot of effort in face-to-face knowledge-sharing events, where a portion of our insurance related courses, events and trainings in Africa were made possible through our collaboration with Africa Re. The Social Finance Programme has been represented at a range of high-level events





across the world, such as trade fairs, forums, academic conferences and research meetings, attracting more than 1,700 participants.

One prominent example was the visit of the ILO's Director General to Morocco, to sign an agreement with the Central Bank of Morocco to develop and roll out jointly Morocco's national financial education programme. In his interaction with the Central Bank, the Director General acknowledged the contribution of financial inclusion to economic growth, employment and decent work.

In November 2017, the Social Finance Programme accepted the invitation of the Associa-

tion of African Development Finance Institutions (AADFI) and joined the 200 delegates of the annual CEO Forum held in Abuja, Nigeria. During the Forum, with the topic "Good corporate governance and appropriate regulation for sustainable development financing in Africa", we discussed how development finance institutions can improve their social and environmental management systems. The discussion was very timely and resonated well with the launch of AADFI's revised "Prudential standard, guidelines, and rating system", as the rating tool strengthened the importance of social and environmental matters.



Another important event was the [Impact Insurance Forum](#), which took place during the 13th International Microinsurance Conference, organized in Lima, Peru, by the Munich Re Foundation, the Microinsurance Network and the Peruvian Association of Insurance Enterprises (APESEG). Focusing on the topic “Insurance for resilient value chains”, the 2017 Forum explored the risks faced by actors across value chains, caused by climate and other shocks.

The main intention was to understand how insurers can respond to those risks by linking insurance products with financing, climate adaptation and productivity interventions. In addition, the Forum facilitated discussions on how insurers can use existing infrastructure within a value chain to distribute insurance products.

These engaging sessions attracted a total of 84 participants. In addition to in-person events, the

Social Finance Programme used a range of digital channels to share lessons learned. Besides our monthly insurance knowledge flash, our quarterly social finance network newsletter and bi-weekly insurance Emerging Insights, which are distributed by email, we are also quite active in social media, with a new blog series and our LinkedIn group.

We also organized a number of webinars in 2017, in cooperation with FSDA, AFD, USAID/UC Davis, and the United Nations Environment Programme’s Principles for Sustainable Insurance (PSI) Initiative. Altogether we organized nine webinars in 2017, which received an average rating of 4.31 (on a scale of 1–5, with 5 as highest) on participants’ likelihood of joining future webinar events.









# 4 PROMOTING AN EQUITABLE FINANCIAL SECTOR

To promote equitable growth, the financial sector needs to take an approach that will include excluded groups while advancing social, environmental and financial objectives – the triple bottom line. To promote this approach, the ILO's Social Finance Programme has an intervention model (see Figure 10) that aims to reduce the gap between the demand for, and the supply of responsible financial services for under-served populations.

We work with the financial sector at all three levels: at the macro level we engage with the legislative and regulatory authorities to create an enabling environment; at the meso level we work with industry support organizations; at the micro level we involve financial institutions to provide responsive financial services with social performance in mind.

The Social Finance engagement process begins with a needs assessment and then engages different stakeholders to design and implement strategies, increasing financial literacy among target populations, providing technical assistance and building the capacity of financial service providers, industry support organizations and policy-makers.

All this helps to create a conducive environment for an equitable financial sector. The ILO disseminates the results of this approach through different channels, to share good practice.

FIGURE 10. SOCIAL FINANCE ENGAGEMENT MODEL





In 2017, the Social Finance Programme promoted this approach in four main ways: (1) through financial education; (2) by supporting impact investing; (3) by building inclusive insurance markets; and (4) by facilitating market development for SMEs.

## Financial education

Financial education makes an important contribution to an effective financial market by enabling users to take informed financial decisions. To stimulate the demand for financial services, and to ensure consumers are effective advocates in

getting the financial sector to be more responsible, it is necessary to build the capacity of current and prospective users of these services – the female entrepreneur, the young person starting their professional life, or the migrant worker, for example. By providing them with the tools and knowledge to plan a budget, make use of financial services, and engage with financial institutions with confidence and in their best interests, we support their ability to use financial services responsibly.

For more than a decade, the Social Finance Programme has been working in the financial education area with different target groups and in a variety of regional and cultural contexts. The ILO



offers a holistic financial education programme, promoting dialogue and building capacity on all levels. We work with policy-makers, training providers and multipliers, as well as directly with beneficiaries. The programme has used research and impact assessments to fine-tune the content and delivery methodology of its courses and refine its policy advice.

The financial education programme has trained thousands of people so far, through a network of more than 1,200 trainers from partner institutions as diverse as the Ministry of Manpower and Transmigration and the Central Bank in Indonesia, the union and the employers' organization in Tunisia, insurance companies in Colombia, youth associations in Mauritania, and financial institutions in Cambodia, to name just a few examples.

In 2017, through strategic partnerships with the Central Bank of Morocco and the Moroccan Foundation for Financial Education, 536 trainers were trained, and they rolled out the education programme to 95,000 beneficiaries. The ILO's Social Finance Programme has provided tools, methodologies and processes to support its Moroccan counterparts in framing and implementing a financial education strategy at the national level. It has also built the capacity of the multipliers to implement and monitor national plans, encouraging integration of the curriculum into ongoing government programmes.

The content that is being disseminated was adapted by the ILO and its partners to the various target groups (emigrants and their families, immigrants, young people and women). Besides the participatory classroom training sessions, this content is disseminated using different outreach methodologies: videos, apps and websites.

## Impact investing

Impact investors intend to generate financial returns alongside positive social and environmental results. It is a market that is rapidly growing and is currently worth between US\$ 100 and 200 billion.

Developing this market is key to the achievement of the 2030 Sustainable Development Goals, owing to the large funding gap. Filling it will require bringing in the private sector.

While the number of financial service providers wishing to invest in a responsible manner is increasing, they often lack knowledge and understanding about how to implement sustainability standards effectively in their operations. The ILO's Social Finance Programme has been working with impact investors, including development finance institutions and blended-finance vehicles, to build their capacity for social and environmental risk and impact management, as well as to contribute to research on the effectiveness of these approaches. By increasing awareness and understanding of what sustainable finance entails, and by assessing the business case for impact investment, the ILO contributes to the acceleration of the impact investment market.

In 2012, the Social Finance Programme started collaborating with the Africa Agriculture and Trade Investment Fund (AATIF), an impact investment fund initiated by KfW Development Bank on behalf of the German government. The fund aims to realize the potential of Africa's agriculture for the benefit of the poor. The primary goal of the partnership between the ILO and the AATIF is to build the sector's capacity for social and environmental risk and impact management in agricultural finance. The technical work is being supported by the United Nations Environment.

As part of this collaboration, a capacity-building strategy for AATIF on the management of social and environmental risks and impacts was drafted in 2016. The implementation began with a workshop in April 2017, followed by three more in May, June and October. While two workshops focused on increasing awareness among AATIF stakeholders regarding sustainable finance, including AATIF's social and environmental standards, the other two sought to prepare the fund's investment manager for conducting social and environmental screening of pipeline projects. In total, 42 stakeholders participated in the activities,<sup>3</sup> including members of the board of directors, the investment committee, the investment management team, and the technical assistance facility, as well as other service providers of the fund.

Furthermore, we have been supporting the implementation of AATIF's impact measurement framework, by backstopping research studies conducted in 2016 and 2017 on AATIF investments in Ghana, Zambia and Zimbabwe (see Table 2).

<sup>3</sup> Some participated in more than one workshop.

These studies aimed to evaluate the impact of AATIF's approach on specific indicators, e.g. agricultural productivity, job creation and working conditions. The preliminary findings show that investments have led to increases in agricultural

production and improvements in the living and working conditions of company employees and smallholder farmers, although impacts with respect to employment creation remain modest.

**TABLE 2. RESEARCH STUDIES CONDUCTED ON AATIF INVESTMENTS IN THREE COUNTRIES**

Ghana	Zambia	Zimbabwe
<b>Partner institution</b>		
Input provider with an associated cocoa smallholder scheme	Commercial maize, soya bean and wheat farming business	Company producing, packing and distributing tea products with team smallholder scheme
<b>Type of assessment</b>		
Baseline study of a five-year impact evaluation	Rapid appraisal	Rapid appraisal
<b>Findings</b>		
<ul style="list-style-type: none"> <li>▶ Agricultural production techniques more sophisticated among treatment farmers than control farmers (e.g. they prune the cocoa trees, adequately deal with diseased fruits and plant shade trees)</li> <li>▶ Treatment farmers have significantly higher cocoa yields per acre, which translates into a higher income from cocoa production</li> <li>▶ Some suggestive evidence, that outgrower scheme increases farmers' productivity and income over time</li> </ul>	<ul style="list-style-type: none"> <li>▶ Production of maize, soybeans and wheat increased (by factors of 300 to 600%)</li> <li>▶ Positive contribution to food security in the country/region</li> <li>▶ Productivity increased; significantly higher for all three crops against African average</li> <li>▶ Overall number of employees increased; however, proportion of casual labour contracts has also grown</li> <li>▶ Duration of fixed-term contracts reduced from two years to one</li> <li>▶ Living conditions of farm workers improved</li> <li>▶ Training to farm workers on good farming practice and access to seeds and/or other inputs at a reduced price for their own plots of land</li> </ul>	<ul style="list-style-type: none"> <li>▶ Company is only tea buyer in the district and therefore key for supporting existing smallholder tea farmers</li> <li>▶ Tea is major income source for 92% of tea smallholder households, along with other crops, livestock and remittances</li> <li>▶ Smallholders estimate that nearly half of their total income in the previous year was derived from tea, while other crops only contributed, on average 19%</li> <li>▶ Company maintains a workforce of 5,500 employees</li> <li>▶ Among surveyed smallholder tea farmers, 10% had someone in their household working as an employee for the company</li> </ul>



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## Facilitating the development of inclusive insurance markets

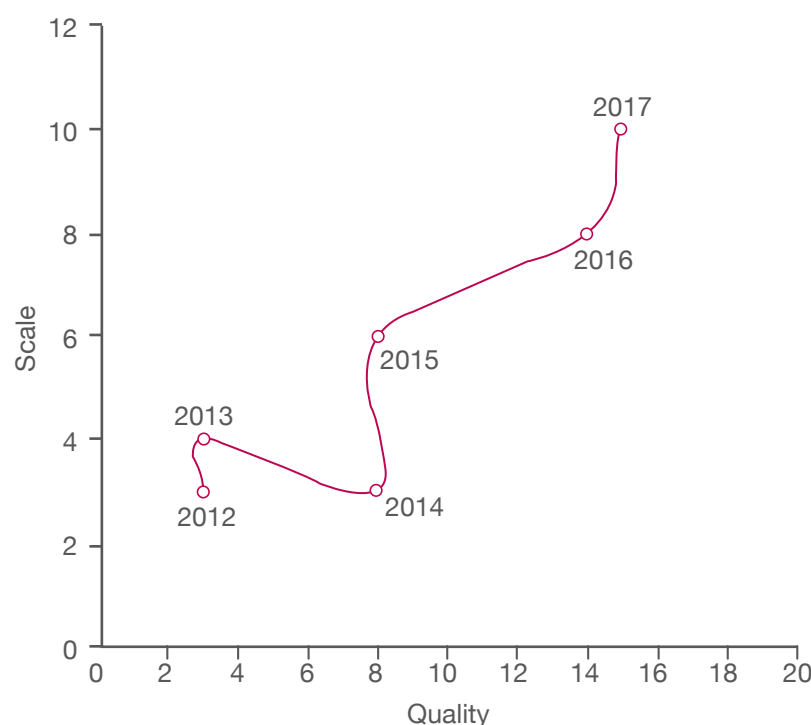
As discussed above, the process of market development requires intervention at the macro, meso and micro levels, but the sequencing of this development is also important. For example, it does not make sense to launch a large-scale financial education campaign if the relevant products are not available to the target group. Consequently, many of the interventions focus on the supply side, at least initially.

The ILO started its engagement in Senegal three years ago by bringing together the key stakeholders in the local market and linking them up to the regulator (Direction des Assurances) and other government support programmes. Throughout 2017, we have continued our commitment to

these market development activities by facilitating a diverse range of interventions to support the advancement of national initiatives. The ILO further supported the Centre Professionnel de Formation en Assurance (CPFA) of Dakar to continue the microinsurance training programme that had already been operating for two years. Technical assistance is being provided to the Compagnie Nationale d'Assurance Agricole du Sénégal (CNAAS) to improve its capacity to operate the agricultural multi-risk product in the northern part of the country. Figure 11 shows how the inclusive insurance market has developed in Senegal since 2012 using the Facility's country scoring tool to rate the quality of inclusive insurance provision and the scale attained.



FIGURE 11. THE DEVELOPMENT OF AN INCLUSIVE INSURANCE MARKET IN SENEGAL SINCE 2012



Additionally, the Social Finance Programme supports the Ministry of Finance with the development of the national financial education strategy, which is a key element of the Government's financial inclusion work.

In 2017, the ILO and GIZ, the German international development agency, signed a collaboration agreement to use the range of tools that have been developed by both organizations in specific insurance markets. The purpose of these tools, including checklists, guidelines and training materials, is to help the insurance industry to reach out to new market segments and improve the performance of insurance products, so that they will help the working poor to manage risk more effectively. These tools and interventions are meant to be implemented in partnership with local institutions such as regulators, insurance associations, training centres and selected market players.

This joint approach is being tested initially in Peru and Nigeria. The team has engaged with national industry organizations, regulators and a range of stakeholders to understand the market needs

and jointly decide on the possible opportunities to implement specific activities.

## Facilitating market development for SMEs in Sierra Leone

In May 2017, the ILO signed a Memorandum of Understanding (MoU) with the Government of Sierra Leone to promote micro, small and medium-sized enterprises (MSMEs) in the country. The MoU emphasizes the need for a market development approach, setting out six key areas for cooperation: (1) promotion of a conducive environment for sustainable enterprises; (2) support for formalization; (3) improvement in access to demand-driven social finance; (4) operationalization of MSME policies and the newly established MSME Development Agency; (5) capacity development of non-financial service providers; (6) operationalization of the financial inclusion and financial education strategies.



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The Social Finance Programme is supporting the access to finance component of this MoU, in close collaboration with colleagues from the ILO's Small and Medium Enterprises (SME) Unit working on the components that focus on enabling the business environment, entrepreneurship, skills and mentorship support to MSMEs.

Activities included stakeholder consultation, an assessment of financial and non-financial services for MSMEs, an assessment of how enabling the environment was for sustainable enterprises, a review of the draft financial education strategy, and a training and action planning event on improving access to financial and non-financial business development services.

Follow-up activities in 2018 will include on-site technical support to trained financial service providers, to monitor changes in their management practices, outreach and services, as well as in their financial and social performances. In addition, we will stimulate demand for financial services with the introduction of our financial education programme.

This integrated approach, which combines social finance with entrepreneurship and skills training, as well as with actions to create an enabling business environment, will accelerate the development of sustainable MSMEs and employment opportunities in Sierra Leone.





## Coming up in 2018

- New partnerships to launch market development activities in Latin America and to support the innovation activities that combine savings, credit and insurance
- Additional action research with digital payroll systems
- Additional capacity-building partnerships
- New ILO certification academy for trainers (April to July)
- New financial education training focusing on design and implementation for policy-makers (October)
- Early results deriving from projects with AXA, MCII and the Ford Foundation.
- Launch of the microinsurance master programme in the Philippines
- Support for the development of databases of mortality and morbidity rates to foster the development of inclusive insurance markets





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# Funders and partners



This partnership strengthens 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 implements action research interventions to improve scale. It provides capacity building to partners and the broader industry, as well as disseminate new lessons to governments and other relevant stakeholders, in order to influence public policy.



With the support of the Government of France, the Social Finance Programme is carrying out a research initiative on the role of the Social and Solidarity Economy and social finance in sustainable development and the future of work. The research is implemented in partnership with our colleagues from the ILO COOP unit.



Through this partnership with AXA, the Facility designs and delivers impact insurance innovation to benefit low-income workers, especially women and migrants in Indonesia. The key output of this collaboration is the critical insights into the design and delivery of insurance products for excluded populations, which are widely shared with the insurance and development communities.



This partnership between the ILO's Impact Insurance Facility and the Munich Climate Insurance Initiative focuses on the second phase of the Climate Risk Insurance and Adaptation in the Caribbean to build the capacity of both insurers and distribution channels (providers) and to create awareness of weather index-based insurance products among consumers in target countries.



Through this partnership, the Facility improves the understanding and implementation of insurance services and appropriate outreach mechanisms for farmers and farm workers to access government insurance programmes. It does this through the extraction and dissemination of lessons learned through knowledge-sharing sessions, as well as by building the capacities for effective claims settlements through piloting use of technology for crop-cutting experiments and claims adjustment/payment. These help build case studies, lessons from which can be used for further action.



With the support of USAID, and in coordination with the Feed the Future Innovation Lab for Assets and Market Access I4 Initiative at the University of California, Davis, the Facility created the Global Action Network, a community of experts and practitioners on agriculture insurance. This project expands innovation in agriculture insurance, and ensures proficient implementation on the ground through enhanced co-ordination. We help accelerate the availability and adoption of agriculture insurance (Index insurance) as part of a broader risk management strategy.



Swiss Confederation

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

The partnership with the Swiss State Secretariat of Economic Affairs (SECO) promotes growth, productivity and jobs by supporting Indonesian small enterprises to access financial and non-financial services. Through capacity development of financial service providers, the project helps financial institutions to pursue a double bottom line: providing responsible financial services to their clients while crafting them innovatively so that there is a business case for the financial institutions themselves. The research component of the project measures the impact of the "microfinance +" approach on the labour outcomes of the clients and allow the provision of evidence-based policy advice to the Indonesian policy-makers.



This partnership supported the NHIF in Kenya as they embarked upon new efforts to extend the health insurance package to informal sector workers and their families. This collaboration further supported greater access to the NHIF scheme and also better health and financial protection for informal workers and their families.



This partnership with Africa Re supports and enhances the development of microinsurance markets in African countries through market facilitation, sharing of good practice and building the capacity of practitioners and training institutes.



The strategic partnership between the AATIF and the ILO increases the capacity to better manage and intentionally pursue positive social and environmental impacts in agricultural finance in Africa. The collaboration partners include AATIF investee companies like local financial service providers expanding their agricultural lending portfolio, managers of smallholder farmer schemes, commercial farmers, or processors and traders of agricultural produce.



The Facility and GIZ have collaborated on a wide range of microinsurance or inclusive insurance initiatives and activities in the past. This particular partnership focuses on developing a consultation approach that enables stakeholders to analyse the current state of the insurance market.



## Strategic partners

Global market development facilitators



### Health financing



### Digital solutions



### Capacity-building partners



### Agriculture



## Insurance innovation partners

Partner	Description	Partner	Description
<b>APA</b> Insurance company Kenya Agriculture; Bundling	The project proposes a hybrid product, which provides meso-protection to the tea factory and gives the tea pickers and farmers an insurance and/or savings platform that they can tap into during times of emergency.	<b>Accessing government promoted insurance scheme such as the Prime Minister's Crop Insurance</b> India Agriculture; Capacity building	The project focuses on improving the understanding and implementation of insurance services and appropriate outreach mechanisms for farmers and farm workers to access government insurance programme.
<b>AXA Indonesia</b> Insurance company Indonesia Bundling	The project will focus on identifying needs and designing solutions for low-income population, especially women and migrants in Indonesia by providing innovation management and technical support.	<b>GK Insurance</b> Insurance company Caribbean Bundling; Disaster	The partnership focuses on building the capacity of both insurers and distribution channels, and creating awareness among consumers about weather-index insurance products.
<b>AXA Mansard</b> Insurance company Nigeria Health; Bundling	The project will support AXA to develop a broad product portfolio and distribution strategy to target low-income households.	<b>NBC Mozambique Micro Insurance</b> Insurance company Mozambique Bundling	NBC Mozambique Microinsurance is the first and only microinsurer registered in Mozambique, operating both life and non-life insurance. The project focuses on designing funeral benefit coverage for the individual pension plan of Moçambique Previdente.
<b>Barry Callebaut</b> Cocoa trading company Côte d'Ivoire Agriculture; Bundling	The project aims to complement Barry Callebaut's farmer finance offerings with insurance solutions. The Facility will provide support with designing and delivering valuable insurance products.	<b>MicroEnsure</b> Intermediary Regional Bundling; Digital	The project is exploring new distribution channels such as agents, call-centres, and digital marketplace, and new approaches for digital education and marketing to potential customers.
<b>Britam</b> Insurance company Kenya Digital; Bundling	The project will audit all microinsurance products and processes and identify where they can be made more efficient. It will make the microinsurance division sustainable and enable it to serve many more low-income customers.	<b>NHIA</b> Public health insurance body Ghana Health; Digital	The NHIA (National Health Insurance Authority) administers Ghana's national health insurance scheme. 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.
<b>CNAAS</b> Public-private insurer Senegal Agriculture	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 by their customers.	<b>Nyala</b> Insurance company Ethiopia Bundling; Agriculture	The project is supporting Nyala to implement a broader microinsurance strategy, beyond agriculture, and work with a range of aggregators in Ethiopia to serve microenterprises.
<b>Equity Bank</b> Financial institution Kenya Bundling	This project supports Equity Insurance Agency's new digitalization strategy to make it easier for low-income and mass market segments to access and use insurance. The main activities identified are: offering insurance through a digital platform; offering a freemium mobile insurance product through Equitel; and digitalizing the insurance back-end procedures.	<b>Kifiya</b> Technology services provider Ethiopia Bundling; Digital	This project will focus on achieving scale and sustainability for Kifiya's new agricultural insurance offering, launched in partnership with Ethiopia's Ministry of Agriculture and four private insurers; as well as the introduction of new livestock, health and funeral insurance products.
		<b>SUNU</b> Insurance company Côte d'Ivoire Bundling; Digital	The project supports SUNU to provide life insurance to the low-income segment beyond mobile customers, with new distribution partners such as agribusinesses, financial institutions and social organizations.



# Acronyms and abbreviations

<b>AADFI</b>	Association of African Development Finance Institutions	<b>GK Insurance</b>	Grace Kennedy Insurance
<b>AATIF</b>	Africa Agriculture and Trade Investment Fund	<b>IDB</b>	Inter-American Development Bank
<b>ADFIAP</b>	Association of Development Financing Institutions in Asia and the Pacific	<b>IIA</b>	Institut International des Assurances (Yaoundé)
<b>AFD</b>	Agence Française de Développement	<b>ILCUF</b>	Irish League of Credit Unions Foundation
<b>AMA</b>	Feed the Future Innovation Lab for Assets and Market Access I4 Initiative	<b>ITCILO</b>	International Training Centre of the ILO
<b>APESEG</b>	La Asociación Peruana de Empresas de Seguros	<b>MFI</b>	Microfinance institution
<b>ASEAN</b>	Association of Southeast Asian Nations	<b>MFN</b>	Microfinance Network
<b>CENFRI</b>	Centre for Financial Regulation and Inclusion	<b>MMW</b>	Making microfinance work
<b>CGAP</b>	Consultative Group to Assist the Poor	<b>MoU</b>	Memorandum of Understanding
<b>CIMA</b>	Conférence Interafricaine des Marchés d'Assurance (Inter-African Conference for the Insurance Market)	<b>MSEs</b>	Micro and small enterprises
<b>CNAAS</b>	Compagnie Nationale d'Assurance Agricole du Sénégal (National Agricultural Insurance Company of Senegal)	<b>MSMEs</b>	Micro, small and medium-sized enterprises
<b>CPFA</b>	Centre Professionnel de Formation en Assurance (Professional Centre for Training in Insurance)	<b>NHIA</b>	National Health Insurance Authority (of Ghana)
<b>CUA</b>	National Credit Union Association (of Ghana)	<b>NTUC</b>	Singapore National Trade Union Congress
<b>e-MFP</b>	European Microfinance Platform	<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>EMN</b>	European Microfinance Network	<b>PROMISE IMPACT</b>	Promoting Micro and Small Enterprises through Entrepreneurs' Access to Financial Services
<b>FAO</b>	Food and Agriculture Organization of the United Nations	<b>PPP</b>	Public-private partnership
<b>FMEF</b>	Fondation marocaine pour l'éducation financière	<b>PSI</b>	Principles for Sustainable Insurance (a UNEP initiative)
<b>FSDA</b>	Financial Sector Deepening Africa	<b>SACCO</b>	Savings and credit cooperative organization
<b>FSD Kenya</b>	Financial Sector Deepening Kenya	<b>SBS</b>	Superintendencia de Banca y Seguros
<b>FSP</b>	Financial Service Providers	<b>SDGs</b>	Sustainable Development Goals
<b>GAN</b>	Global Action Network on agriculture insurance	<b>SECO</b>	Swiss State Secretariat for Economic Affairs
<b>GIZ</b>	Deutsche Gesellschaft für internationale Zusammenarbeit (the German international development agency)	<b>SMEs</b>	Small and medium-sized enterprises
		<b>SPTF</b>	Social Performance Task Force
		<b>SSE</b>	Social and Solidarity Economy
		<b>ToT</b>	Training of Trainers
		<b>UC Davis</b>	University of California, Davis
		<b>UNEP</b>	United Nations Environment Programme
		<b>USAID</b>	United States Agency for International Development

# Knowledge products in 2017

## EMERGING INSIGHTS

El 126: [Stay informed in 2017](#)

Theme: Impact

Source: ILO's Impact Insurance Facility

El 127: [Data, data everywhere](#)

Theme: Data analysis and processing, Health

Source: i2i

El 128: [Boosting capacity in Senegal](#)

Theme: Capacity building

Source: ILO's Impact Insurance Facility

El 129: [Growing claims to avoid growing pains](#)

Theme: Promotion, Mobile network operators;

Source: GSMA and Digital Frontier Institute

El 130: [Finding the needle in the haystack](#)

Theme: Data analysis and processing,

Claims, Improving value

Source: MicroEnsure

El 131: [Getting to the bottom of claims turnaround time](#)

Theme: Data analysis and processing,

Claims, Health

Source: Britam MI

El 132: [Bundling value into the agricultural value chain](#)

Theme: Health, Agriculture

Source: ILO's Impact Insurance Facility

El 133: [Why insurance failed to adequately support small business recovery in India](#)

Theme: Consumer protection, Impact, Property

Source: Mercy Corps and Okapi

El 134: [Partnering with an insurer: A client perspective](#)

Theme: Partnerships, Agriculture

Source: ILO's Impact Insurance Facility

El 135: [Applying agility to become an inclusive insurer](#)

Theme: Life, Transaction processing

Source: SUNU Assurances

El 136: [The insurer that pays claims](#)

Theme: Claims, Improving value

Source: ILO's Impact Insurance Facility

El 137: [Eliminate the easy way out](#)

Theme: Policy and regulation

Source: A2i and the Facility

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# Events

## January

**Workshop** with the financial education community of practise – Jakarta, Indonesia

**Workshop** Achieving double bottom line: Inclusive finance and social performance management – Jakarta, Indonesia

## February

**Conference** on mobile insurance CIMA-IAIS-A2ii – Douala, Cameroon

**Conference** on geodata for inclusive finance and food – Rotterdam, the Netherlands

**Strategic and planning workshop** with the financial education community of practice – Casablanca, Morocco

**OECD workshop** Taking social impact investing in Africa to the next level – Nairobi, Kenya

**Webinar** Making inclusive insurance work *webinar series* – Distribution and technology

**Webinar** Making inclusive insurance work *webinar series* – Health (part 1): Telemedicine, insurance and universal health coverage

## March

**Mutual Exchange Forum** on Inclusive Insurance Hanoi, Vietnam

**Webinar** Improving claims management

**Webinar** Making inclusive insurance work *webinar series* – SMEs and value chains

## April

**Webinar** Making inclusive insurance work *webinar series* – Agriculture and climate risks

**KfW workshop** Leveraging ILO S&E experience for the benefit of KfW projects with financial intermediaries – Frankfurt, Germany

## May

**Frankfurt School of Finance workshop** The social dimension of finance – ILO knowledge and tools – Geneva, Switzerland

**EMN Annual Conference** – Venice, Italy

**44<sup>th</sup> Conference and Annual General Assembly** of the African Insurance Organisation – Kampala, Uganda

**10th Consultative Forum:** Scaling up agricultural index insurance in Africa, organized by AIO, IAIS, A2ii and MIN – Kampala, Uganda

## June

**Microfinance Research Conference** – Portsmouth, United Kingdom

**Webinar** Making change happen within insurers

## July

**Series of workshops** with groups of partner FSPs to share findings from clients assessment surveys and inform product innovation process – East and West Java, Indonesia

**Webinar** Making inclusive insurance work *webinar series* – Health (part 2): Health insurance for the emerging consumer

**Conference** Peer Learning Platform for Policy-makers – Nairobi, Kenya

## August

**Workshop** Financial education material validation – Cairo, Egypt

**Regional learning sessions on inclusive insurance:** Business models for Africa – Kigali, Rwanda

## September

**Webinar** Providing insurance products to rural populations in West Africa

## October

**Community of Practice meeting**, Nairobi, Kenya

**Conference** African Microfinance Week – Addis Ababa, Ethiopia

**GAN working group meeting** – Geneva, Switzerland

**Webinar** "How can access to financial services create value for rural populations?" (rural webinar as part of Outcome 5)

## November

**Presentation** on Multi-stakeholder support for financial education at the India-OECD Global Symposium on Financial Education – New Delhi, India

**AADFI Annual CEO's Forum** – Abuja, Nigeria

**AIO Life Insurance Seminar** – Arusha, Tanzania

**BMZ and OECD Conference** – Financing global development: Leveraging impact investing for the SDGs – Berlin, Germany

**European Microfinance Week** – Luxembourg, Luxembourg

**Forum** Impact Insurance Forum – Lima, Peru

**Conference** 13<sup>th</sup> International Microinsurance Conference 2017 – Lima, Peru

## December

**Knowledge sharing event** Risk management and financial inclusion for improving coping capacities of rural population in – Islamabad, Pakistan

# Meet the team



**Valerie Breda**  
Senior Technical Officer

Valerie is responsible for the Social Finance Programme's work on inclusive finance for workers and youth, financial cooperatives, the Social and Solidarity Economy and digital wage payments.



**Camila Castaneda Quintero**  
Junior Technical Officer

Camila supports the Social Finance Programme's work on impact investment, including the activities under the AATIF.



**Craig Churchill**  
Chief

Craig is the Chief of the ILO's Social Finance Programme.



**Aparna Dalal**  
Senior Research Officer

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



**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**  
Capacity-Building Officer

Camyla is responsible for the implementation of the Facility's capacity-building activities.



**Nalina Ganapathi**  
Senior Administrative  
Assistant

Nalina supports the Social Finance Programme's administrative and operational activities.



**Yousra Hamed**  
Technical Officer

Yousra manages the Social Finance Programme's work on financial education, migrant workers, employers' associations and post-conflict environments.



**Aida F. Lindmeier**  
Programme and  
Partnerships Officer

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



**Margarita Lalayan**  
Senior Programme  
Officer

Based in Turin (Italy), Margarita is in charge of Social Finance capacity building at the International Training Center of the ILO, including the renowned Making Microfinance Work training programmes.



**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 is responsible for the Facility's work on health insurance in the public and private sectors, and offering insights into m-Health, actuarial analysis and strategy development.





**Owais Parray**  
Chief Technical Adviser

Based in Jakarta (Indonesia), Owais oversees the implementation of the PROMISE IMPACT project in Indonesia.



**Pranav Prashad**  
Senior Technical Officer

Pranav leads the Facility's agriculture insurance work, alternative distribution channels and mobile services. He is also the focal point for market development in Asia.



**Patricia Richter**  
Senior Technical Officer

Patricia is managing the Social Finance Programme's collaboration with the AATIF. She is also leading the unit's broader work on impact investing.



**Victor Hugo Sanchez Valverde**  
Administrative Assistant

Victor supports the Social Finance Programme's administrative and operational activities.



**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 Michal Matul for his outstanding contribution over the years.

Interns made valuable contributions to the Social Finance Programme in 2017. Special thanks are due to Petr Neugebauer, Monica Marino and Anne-Madleine Kropf for their dedication.

## Our Impact Insurance Fellows



**Edgar Aguilar**

Edgar supports both [Barry Callebaut](#) (Abidjan, Côte d'Ivoire) and [CNAAS](#) (Dakar, Senegal).



**Marieme Ba**

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



**Queenie Chow**

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



**Olisa Gravney**

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



**Sarfraz Shah**

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



**Saurabh Sharma**

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



**Enock Kipkemboi Sing'oei**

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



**Daniel McGree**

Daniel is hosted by [Grace Kennedy \(GK\) General Insurance](#) (Kingston, Jamaica).



**Indira Gopalakrishna**

Indira is hosted by [Equity Insurance Agency](#) (Nairobi, Kenya).



**Shilpi Nanda**

Shilpi is hosted by the [National Health Insurance Authority](#) (Accra, Ghana).



**Tang Khai Sheng**

Khai Sheng is hosted by [AXA Indonesia](#) (Jakarta, Indonesia).



**Adriana Sanchez**

Adriana is hosted by [NBC Moçambique Companhia de Micro Seguros, S.A](#) (Maputo, Moçambique).



**Nuno Meira**

Nuno was hosted by [CNAAS](#) (Dakar, Senegal). He graduated in July 2017.



**Cedric Roux**

Cedric was hosted by [SUNU Assurances Vie Côte d'Ivoire](#) (Abidjan, Cote d'Ivoire). He graduated in December 2017.

We would like to thank the fellows who have graduated Nuno Meira (hosted by CNAAS in Senegal) and Cedric Roux (hosted by SUNU in

Côte d'Ivoire) for their outstanding contributions to their host organizations via our Fellowship Programme in 2016/17.









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This is the tenth Annual Report of the ILO's Impact Insurance Facility and the first presenting the achievements of the entire Social Finance Programme. With an emphasis on social justice, the Social Finance Programme engages with the financial sector to achieve the ILO's strategic objectives, including creating jobs, improving working conditions and formalizing informal employment. The Facility contributes to this agenda by engaging with the insurance industry, governments and their partners to realize the potential of insurance for social and economic development.

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