

15<sup>th</sup>  
March  
2024



# Developing Microinsurance Products: Still a Key Challenge for Microfinance Operators



# THE FOUNDATION GRAMEEN CREDIT AGRICOLE



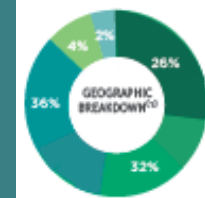
- Created 15 years ago with the mission to contribute to the fight against poverty and inequality through financial inclusion, particularly for women entrepreneurs in rural areas in fragile countries.
- The Foundation provides long-term and global support to Microfinance Institutions and social impact enterprises through the financing of loans or guarantees, technical assistance, equity participation and as an advisor to investment funds.

## KEY FIGURES OF THE FOUNDATION

AS OF DECEMBER 2023

### ACTIVITY

**82**  
MILLION €  
portfolio followed by  
the Foundation



■ Sub-Saharan Africa  
■ South and South-East Asia  
■ Eastern Europe and Central Asia  
■ Western Europe  
■ Middle East and North Africa

**93%** Financing in  
LOCAL  
CURRENCY

**100%** FINANCING WITH  
covenants limiting  
exposure to foreign  
exchange risk

**41%** PORTFOLIO  
in fragile countries<sup>(2)</sup>

(1) Portfolio's geographic breakdown  
(2) Fragile countries according to the World Bank and  
OECD lists  
(3) Breakdown by number of funded institutions:  
Tier 1 : > \$100M portfolio;  
Tier 2 : \$10-100M portfolio;  
Tier 3 : < \$10M portfolio  
(4) Breakdown by number of social impact enterprises

### SUPPORTED ORGANISATIONS

**72\*** MICROFINANCE  
INSTITUTIONS

#### TYPES OF INSTITUTIONS<sup>(3)</sup>

**23%** LARGE INSTITUTIONS (TIER 1)  
**58%** MEDIUM INSTITUTIONS (TIER 2)  
**19%** SMALL INSTITUTIONS (TIER 3)

\* Including 10 partners supported exclusively in  
technical assistance

**10\*** IMPACT  
ENTERPRISES

#### BUSINESS SECTORS<sup>(4)</sup>

**40%** AGRIBUSINESS  
**32%** FINANCIAL SERVICES  
**09.1%** ESSENTIAL SERVICES  
**09.1%** CULTURE & EDUCATION

### TECHNICAL ASSISTANCE

**6** PROGRAMS  
of technical assistance

**103** MISSIONS COORDINATED IN 2023  
**53** ORGANISATIONS SUPPORTED

### SOCIAL IMPACT

**10.8** MILLION  
beneficiaries of  
organisations funded

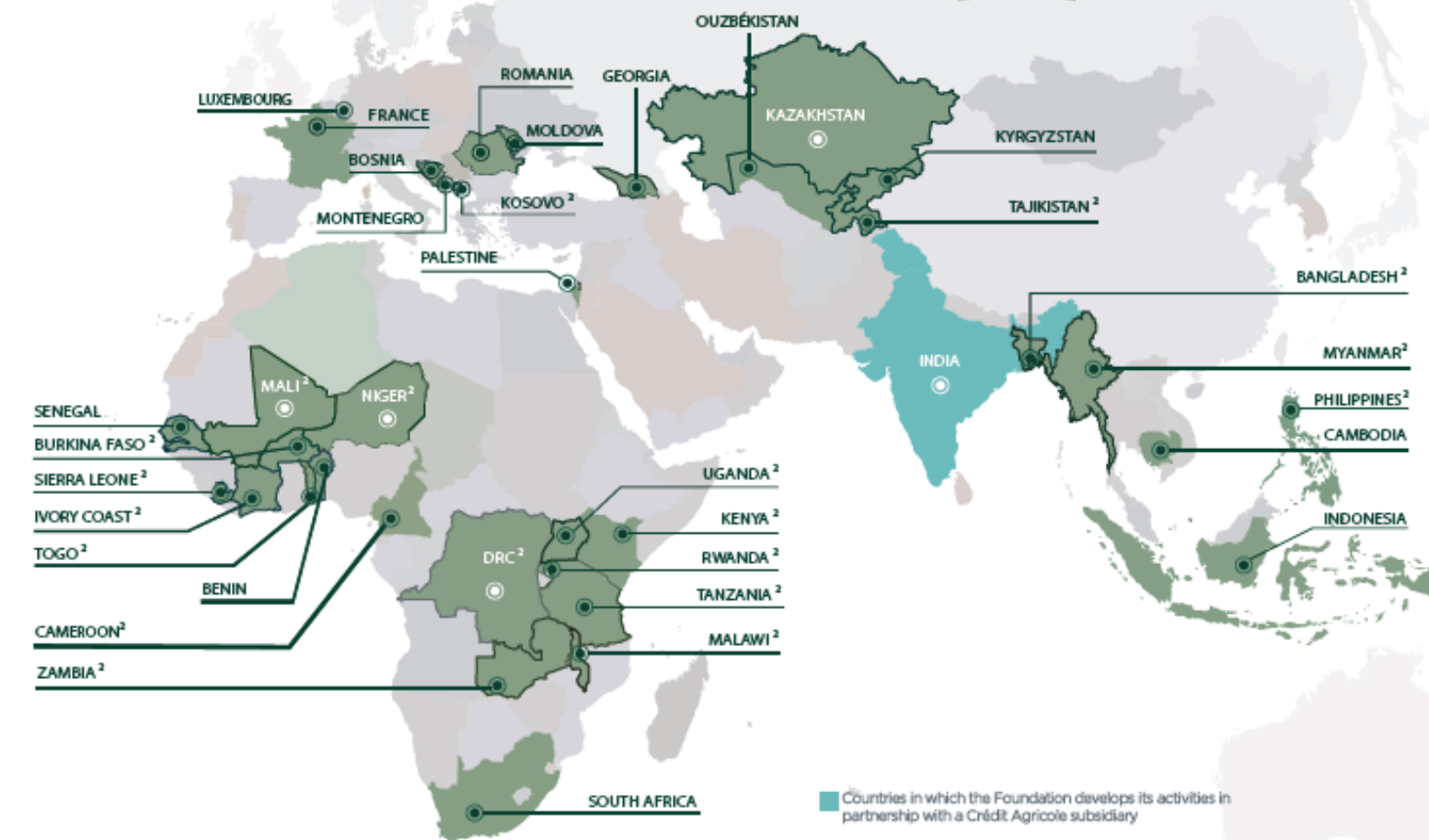
**94%** WOMEN BENEFICIARIES  
OF MICROCREDITS

**85%** MICROFINANCE CLIENTS  
IN RURAL AREAS

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### COUNTRIES OF INTERVENTION

**36\*** COUNTRIES



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# THE FOUNDATION AND MICROINSURANCE ... A LONG STORY



- Very rapidly convinced that **microinsurance is key to build resilience among MFIs' clients** and could contribute in **de-risking portfolio**
- **Strong involvement**, especially towards agri-insurance at the beginning (research, exchange visits, pilot project in Mali)
- Investment in equity in **ACRE** – Kenya
- Specific program with **ILO /Proparco** with 12 partners in West Africa and Asia.

ONE QUESTION STILL REMAINS ...



Are MFIs the good partners to promote, distribute  
microinsurance products ?

**What do you think ???**

## NOT SO SURE ....



- ACRE has reached, since its inception, more than **1,7 mln smallholder farmers** mainly in four countries, Kenya, Rwanda, Tanzania, Zambia.
- In 2022 they reached 320 000 farmers with various agri-insurance products, working with **45 entities** to sell their products.

**How many are MFIs according to you ?**

**4**

VIDEO



# Programme d'Assistance Technique en micro assurance

Microinsurance Technical Assistance Program



# LESSONS LEARNED



- The subject is **still new** for most of our partners, aside from credit or life insurance
- Insurance is a **secondary activity, not a priority**, and they often have other priorities and little time to devote to it.
- They **don't really perceive the benefit for their clients and for them**, as well.
- They don't really know **how to deal with insurance companies or brokers**
- **Selling a micro-insurance product to clients is more difficult than credit or savings**
- If they have within their company a microinsurance manager:
  - Their knowledge on management, sales, marketing and communication is often **limited**
  - They sometimes have a **low level of qualifications**, take few initiatives and decisions and have little responsibility
  - Some are **less involved than others**, which has an impact on the speed with which they are supported and taken in hand.
  - They are not necessarily recruited with a high level of literacy or training, but often because they are close to certain communities.



# THE QUESTIONS WE HAVE ...



Given these observations, the questions we are asking ourselves are as follows:

- What are the most effective ways of ensuring that MFIs have a lasting impact in developing their microinsurance products?
- How to convince governance and staff on the relevance of microinsurance?
- What profiles should MFI microinsurance programme managers have?
- How much time should be devoted to training these managers to ensure an effective transfer of skills?
- What approach, materials and level of language should be used to train this profile of participants?
- How can the problem of availability and prioritisation of microinsurance be resolved to facilitate skills transfer?



# RECOMMENDATIONS



1. Governance should be strongly involved at all level
2. The choice of people in charge of the microinsurance programme is very important for the transfer of skills. It can have a major impact on the sustainability of the programme.
3. It is important to recruit a resource dedicated to insurance activities who can also manage value-added activities within the institution and more widely.
4. This resource should have basic knowledge and skills in insurance, ideally with some knowledge of management, sales, communications and/or marketing.
5. The people in charge of developing microinsurance must be made more accountable.
6. Ideally, there should be in-house resources capable of providing ongoing training for the teams.
7. Time must be taken to train the focal points in both training methodology and the subject of microinsurance. A minimum of 3 months' training in active mode using adult teaching methods would be ideal to enable the focal points to assimilate the lessons more effectively and to be sufficiently equipped.

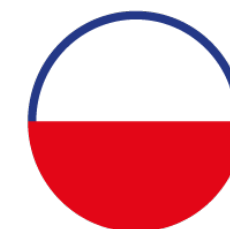
# RECOMMENDATIONS



8. Provide training for teams, managers and decision-makers to ensure the general involvement of the institution in the development of the microinsurance programme and its viability. Governance plays a key role in the success of programmes.
9. Ongoing, multi-stage training ensures that teams are involved and that their skills are enhanced.
10. Training materials should be written in simple language adapted to the language level of the participants, using simple examples and formulations., with practical cases, simulations and examples adapted to the context of the partners.
11. If possible, record the training sessions and review them later to debrief and improve both the form and content of the training tools.
12. The people in charge of the microinsurance programme should be given performance targets.
13. Capacity-building procedures and schedules must be put in place with clearly defined intervals (in conjunction with the insurer partners or other stakeholders).



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**Promouvoir la finance inclusive et l'entrepreneuriat social**