IIF Grant Facility
Kay Tuschen
IIF Grant Facility to Provide Technical Assistance and Premium Support

### Key components of the Fund’s Value Creation strategy

<table>
<thead>
<tr>
<th>Technical assistance</th>
<th>Premium support</th>
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</thead>
<tbody>
<tr>
<td>Approx. EUR 12.1 m</td>
<td>Approx. EUR 8.3 m</td>
</tr>
</tbody>
</table>

**Technical assistance**
- Selectively funding the development and realization of climate insurance solutions at different stages by the Fund’s investees on a non-profit basis.

**Manager**

![CelsiusPro Logo]  
![BlueOrchard Logo]

**Premium support**
- Selectively subsidizing the premiums of climate insurance products launched by the Fund’s investees to facilitate the achievement of critical volume.

**Manager**

![BlueOrchard Logo]

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The Grant Facility is fully funded by BMZ/KfW, providing free financial support and expertise with benefits to investees and the target group of the Fund.
Technical Assistance

“Support the investee in implementing or expanding climate insurance targeting the low-income population.”

Technical Assistance aims at:

- Creating and supporting knowledge and skills
- Accelerating portfolio companies’ growth
- Reducing product time-to-market

Examples of TA Services

- Feasibility study
- Insurance product design
- Marketing and distribution support
Premium Support

“Provide temporary subsidies to reduce the climate insurance premiums paid by the clients of any of the Fund’s portfolio companies.”

Terms for Premium Support:

- Clear ownership of the investee for the insurance product
- The subsidy must not exceed 50% of the insurance premium
- Subsidies are paid to the insurance/reinsurance company, not the end client
- Use subsidies in a decreasing fashion over time

Benefits

- Overcome information asymmetries
- Increase the affordability of insurance products
- Increase insurance demand
The investment, any technical assistance and the provision of premium support will always go hand in hand.
Example: Crezcamos, an MFI in Colombia

**Investment:** IIF Debt Sub-Fund investee

**Technical Assistance:** To implement Weather Index Crop Insurance (WI) for current and potential clients. TA services provided:

- IT platform and data sourcing
- Distribution, marketing and sales
- Education of end-client
- Pilot rollout

Budget: EUR 190k, duration: 18 months

**Premium Subsidy:**

- **Pilot phase:** Clients targeted with free insurance products along with intense marketing and education. **Roll-out phase:** Declining premium subsidy (3-4 seasons). Rationale for PS:
  - Small farmers are disproportionately affected
  - Farmers in Colombia are not familiar with weather index insurance products
  - Insurance is expensive in relative terms (~5% of annual income), so the value must be understood
IIF Technical Assistance and Premium Support footprint

Specialized TA for all investees (not shown in map)
- ILO Academy (Global & LatAm)
- ILO LatAm Platform
- Education workshops
- Pre-investment market study

<table>
<thead>
<tr>
<th></th>
<th>No. of interventions completed or ongoing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical Assistance</td>
<td>41</td>
</tr>
<tr>
<td>Premium Subsidy</td>
<td>10</td>
</tr>
</tbody>
</table>
Contact information

Marietta E. Feddersen
Senior Technical Assistance Specialist
Marietta.Feddersen@blueorchard.com

Kay Tuschen
Lead Institutional Partnerships
kay.tuschen@celsiuspro.com