

IIF Grant Facility

Kay Tuschen



IIF Grant Facility to Provide Technical Assistance and Premium Support

Key components of the Fund's Value Creation strategy

Technical assistance

Approx. EUR 12.1 m

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**



Premium support

Approx. EUR 8.3 m

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

Manager



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**



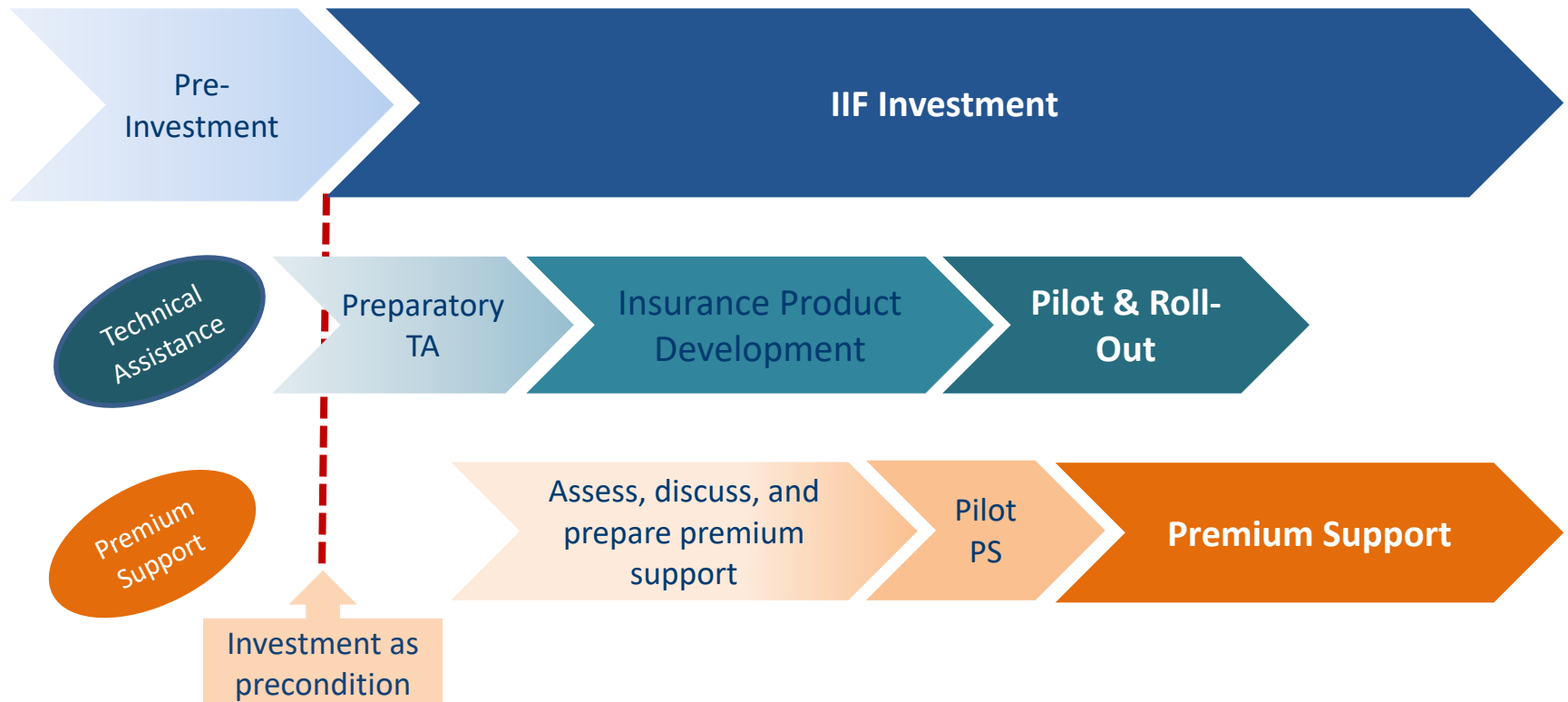
**Increase the
affordability of
insurance products**



**Increase insurance
demand**

Grant Facility Implementation Process

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

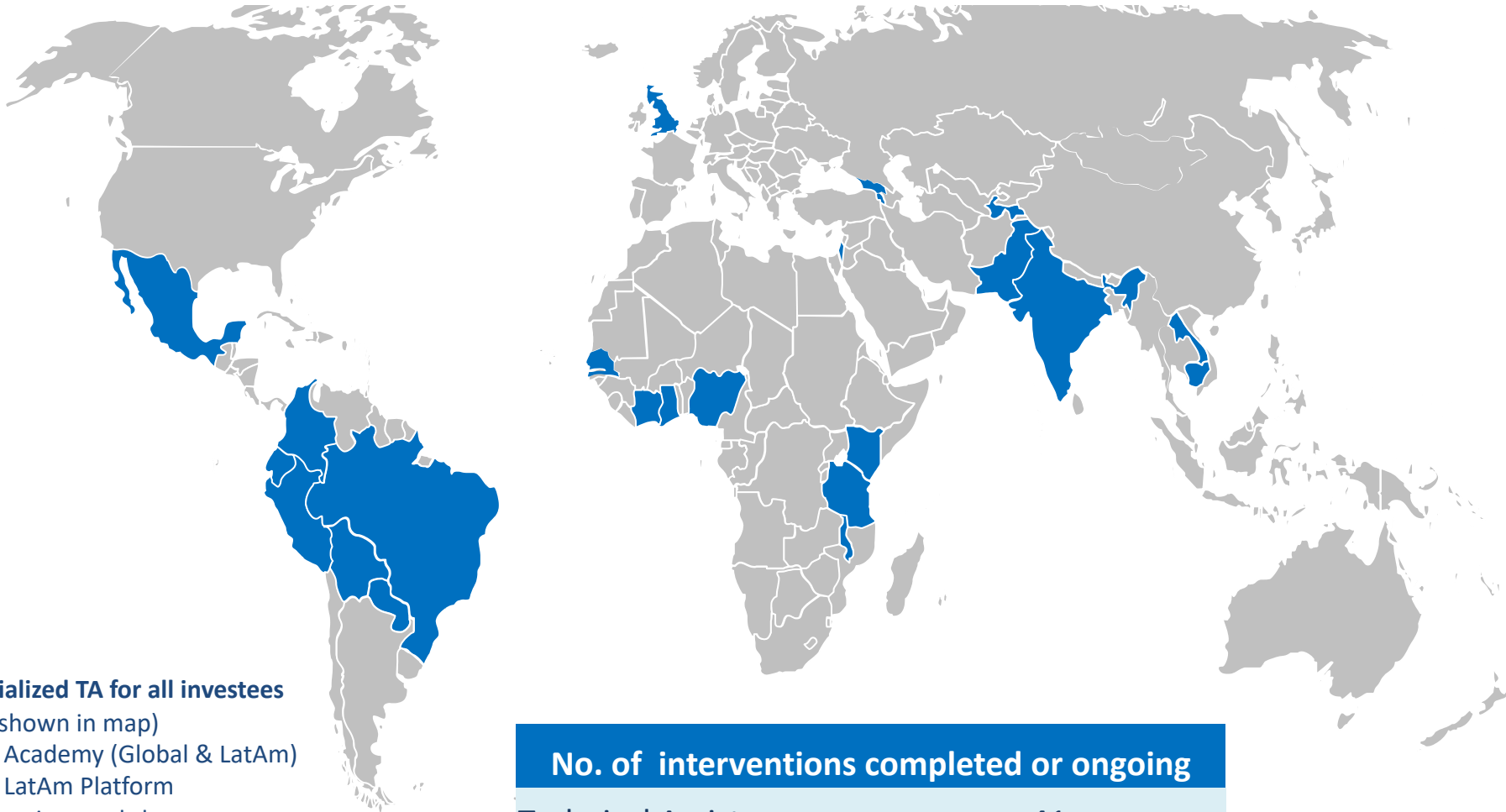
Budget: EUR 190k, duration: 18 months

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

No. of interventions completed or ongoing	
Technical Assistance	41
Premium Subsidy	10

Contact information



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