IIF Private Debt Sub-Fund

Natia Zhgenti, Senior Investment Officer
Development of new insurance solutions
Combining several levers to support the poor & vulnerable

**IIF private debt sub-fund**
Lending to financial institutions and aggregators in return for participation in the development and distribution of climate insurance, with a focus on the poor and vulnerable.

- **Target size**: $200mn
- **Manager**: BlueOrchard
- **Investors**: Private & Public

**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
- **Funding**: BMZ

**IIF private equity sub-fund**
Investing in insurers and insurtech actively building the market for climate insurance in emerging markets, with a focus on the poor and vulnerable.

- **Target size**: $100mn
- **Manager**: BlueOrchard
- **Investors**: Private & Public

**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
- **Funding**: BMZ

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The Technical Assistance and Premium Support grant funds are fully funded by BMZ, providing free financial support and expertise for the benefit of investees.
Debt Sub-fund investments
Promoting the distribution of climate insurance products

Debt investments – Target investees

- Aggregators
- Microfinance Institutions
- Cooperatives
- Input Providers
- Telecom Operators

Activity concentrated in target markets
Presence and distribution in agricultural regions
Currently distributing or looking to distribute climate insurance products
Sound governance and sound financial situation / credit risk

Investment objectives

- Promote the distribution of climate insurance products in agricultural areas
- Source attractive risk-adjusted returns
- Social (number of climate insurance beneficiaries) and financial value creation
Overview of IIF’s climate insurance activities in the region
IIF Debt Sub-fund Impact

<table>
<thead>
<tr>
<th>InsuResilience contribution – June 2023</th>
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<tbody>
<tr>
<td>Number of beneficiaries covered with climate insurance</td>
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<tr>
<td>Number of investees offering climate insurance</td>
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<tr>
<td>Number of clients covered with climate insurance</td>
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Portfolio by instrument – June 2023
- 27% Subordinated debt
- 73% Senior debt

Portfolio by region - June 2023
- 7% Caucasus
- 12% East Asia and the Pacific
- 14% Sub-Saharan Africa
- 14% Central America and The Caribbean
- 24% South Asia
- 29% South America
IIF private debt sub-fund investee example
Crezcamos – Colombia

Founded in 2008, Crezcamos is a public limited company specializing in microfinance. It operates 104 branches across twelve departments in northern Colombia. Crezcamos offers parametric rainfall insurance to small farmers and multi-risk insurance to micro borrowers. Crezcamos is working to further expand its current range of insurance products.

With the support of the funding and Technical Assistance from IIF Crezcamos developed and scaled up its parametric rainfall insurance and piloted sugar cane insurance for smallholder farmers.

- 16 Registered climate-related events during Q2 2023
- 86,539 Clients covered by climate insurance
- 62% Of clients have an income between USD 3.1 and USD 15
- 50% Female clients
- 77% Clients with loan size below USD 2,000
IIF private debt sub-fund investee example
KASHF Foundation - Pakistan

KASHF Foundation was set up in 1996 based on the Grameen model and is now the largest microfinance organization in Pakistan. KASHF has a strong social focus on female entrepreneurs with special focus on low-income households. Among other insurance solutions KASHF offers livestock insurance to its borrowers.

KASHF used funding from IIF to expand the livestock loan portfolio bundled with insurance and since then has grown to become the largest distributor of microinsurance solutions in Pakistan.

- **82** Registered climate-related events during Q2 2023
- **42,182** Clients covered by climate insurance
- **72%** Of clients have an income between USD 3.1 and USD 15
- **100%** Female clients
- **100%** Clients with loan size below USD 2,000
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