Agence Française de Développement Group and the ILO join hands to provide access to inclusive insurance for the most vulnerable

Paris, October 27, 2021 - Agence Française de Développement (AFD) and its subsidiary PROPARCO have recently signed two new projects in partnership with the International Labour Organization (ILO), which is recognized for its expertise in inclusive insurance.

AFD has allocated a €2.5 million grant to the ILO to implement risk management solutions for small enterprises and low-income households in Africa. The project will explore the potential for public-private partnerships, between governments and the financial sector, to achieve social and development impact. PROPARCO, for its part, has signed a €900,000 technical assistance grant to the Grameen Crédit Agricole Foundation to develop a risk management programme with microfinance institutions, with the ILO’s support, to facilitate access to insurance products for rural communities.

Insurance is a tool that protects people against a range of risks, including illnesses and natural disasters, and it is a driver for economic development and social well-being. Yet the penetration rate for insurance in Africa is under 2%. How can we widely implement and ensure the sustainability of insurance products for people excluded from traditional insurance markets in order to increase their resilience to climate, economic and health shocks?

Innovating for inclusive insurance in Africa
The ILO and AFD have strengthened their partnership to develop responsible and sustainable insurance products, tailored to the needs and capacities of low-income households and small and medium enterprises that are vulnerable to risks related to their health and livelihoods, such as in agriculture.

To this end, the ILO will help four or five local organizations that are engaged in a public-private partnership to promote better risk management among the target group. Through this initiative, the ILO will provide technical support to selected partners to assist with project management, product development and implementation. Finally, it will document and disseminate lessons on good practices in this area, with a focus on the specific needs of women.

Through this €2.5 million project, some 800,000 low-income households should benefit from innovative and responsible insurance products to allow them to cope with shocks.

Training microfinance institutions in microinsurance with the ILO
To improve access to better risk management solutions, PROPARCO, the private sector financing arm of AFD Group, has strengthened its partnership with the Grameen Crédit Agricole Foundation, a leading player in financial inclusion in rural areas and a partner of AFD Group since 2013.
A €900,000 technical assistance grant has been allocated to the Grameen Crédit Agricole Foundation to allow it to set up a microinsurance programme with the ILO. This programme will help train and support the Foundation’s Micro Finance Institution (MFI) partners so that they can add new insurance services to their products, including agricultural insurance. This will allow their clients, vulnerable people who are often excluded from insurance products, such as low-income households, women, smallholders, microenterprises and small and medium-sized enterprises, to protect themselves better.

Grameen Crédit Agricole Foundation will be able to rely on the expertise of the ILO’s Impact Insurance Facility to develop this programme and train MFIs. The Foundation plans to support around a dozen MFIs in Africa and Southeast Asia, with two-thirds located in France’s development policy priority countries (listed here: [Geographical priorities - Ministry for Europe and Foreign Affairs](https://diplomatie.gouv.fr)).

In late 2020, AFD Group had already allocated a €10 million guarantee to the Grameen Crédit Agricole Foundation to support microfinance institutions in Sub-Saharan Africa during the Covid-19 crisis.

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**About AFD Group**

AFD Group implements France’s policy in the areas of development and international solidarity. The Group includes Agence Française de Développement (AFD), which finances the public sector and NGOs, as well as research and education in sustainable development; its subsidiary Proparco, which is dedicated to private sector financing; and soon, Expertise France, a technical cooperation agency. The Group finances, supports and accelerates transitions towards a fairer, more resilient world.

With our partners, we are building shared solutions with and for the people of the Global South. Our teams are at work on more than 4,000 projects in the field, in the French Overseas Departments and Territories, in 115 countries and in regions in crisis. We strive to protect global public goods – promoting a stable climate, biodiversity and peace, as well as gender equality, education and healthcare. In this way, we contribute to the commitment of France and the French people to achieve the Sustainable Development Goals (SDGs). Towards a world in common.

[www.proparco.fr/en](https://www.proparco.fr/en) et @Proparco / [www.afd.fr/en](https://www.afd.fr/en) et @AFD_en

**About the International Labour Organization**

Advancing social justice, promoting decent work

The [International Labour Organization](https://ilo.org) is the United Nations agency for the world of work. We bring together governments, employers and workers to drive a human-centred approach to the future of work through employment creation, rights at work, social protection and social dialogue.

**About the ILO’s Social Finance Programme and Impact Insurance Facility**
The ILO’s Social Finance Programme works with the financial sector to enable it to contribute to the ILO’s Decent Work Agenda. In this context, we engage with banks, microfinance institutions, credit unions, insurers, investors and others to test new financial products, approaches and processes.

The Impact Insurance Facility contributes to the Social Finance agenda by collaborating with the insurance industry, governments and partners to realize the potential of insurance for social and economic development.

About the Grameen Crédit Agricole Foundation
Created by Crédit Agricole and Professor Yunus, Nobel Peace Prize laureate, the Grameen Crédit Agricole Foundation contributes to the fight against poverty by promoting social entrepreneurship and financial inclusion. Since its creation in 2008, more than €280 million in loans have been granted to more than 120 microfinance institutions and social enterprises working in around 40 different countries. The Foundation currently supports 81 microfinance institutions and social impact enterprises with a portfolio of €87.1 million. It primarily targets microfinance institutions serving women and rural populations. These institutions support over 7.9 million people, 89% of whom are women and 84% of whom live in rural areas.

www.gca-foundation.org/en/