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NEWS FROM THE FIELD

- Microinsurance in Action -

Four years of support for inclusive insurance.

Or how an ambitious programme transformed the approach to microinsurance among twelve microfinance institutions.

Between 2021 and 2025, an ambitious programme financed by Proparco and implemented by the Grameen Crédit Agricole Foundation (FGCA) and the International Labour Organisation (ILO) supported twelve microfinance institutions in eight countries in Africa and Asia in developing microinsurance tailored to vulnerable populations. At a time when climate change is exacerbating economic and social risks, this programme sought to make inclusive insurance a lever for resilience.

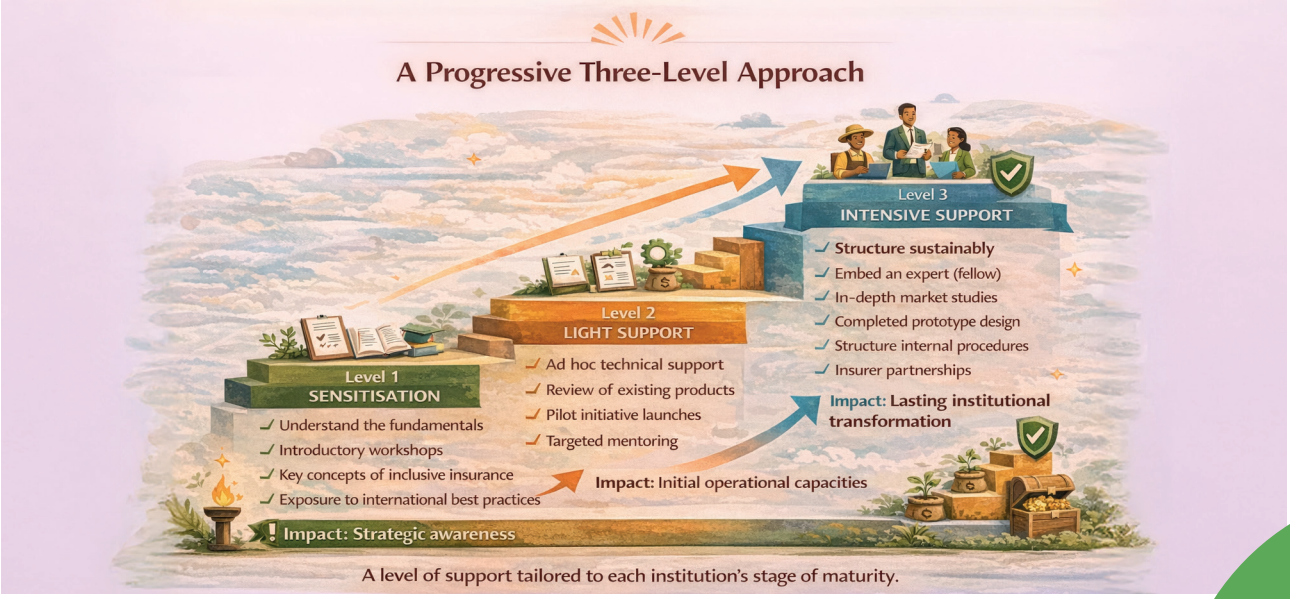
According to recent data from the World Bank (Findex 2024), a quarter of adults in low- and middle-income countries have been affected by a natural disaster. Among them, two-thirds have suffered a loss of income or significant damage to their homes, livestock or other productive assets. Agricultural households are among the most vulnerable. Floods, droughts, seasonal disruptions and repeated shocks undermine an already precarious balance.

As highlighted in the strategic analysis conducted by **Dr Kameshnee Naidoo, understanding the new context in which financial institutions operate is a prerequisite for any sustainable growth in the inclusive insurance market.**

A methodology adapted to different levels of maturity

From its inception, the programme was differentiated by a flexible approach, tailored to the level of maturity of each partner institution. Rather than imposing a uniform model, it offered three different levels of support, ranging from simple **awareness-raising on** the basic **concepts** of inclusive insurance to **light technical support** to intensive **support with the integration of an expert within the institution** for an extended time period.

This made it possible to take into account operational realities, organisational constraints and strategic ambitions specific to each institution. The most advanced structures were able to work on product design and launch, while others first consolidated their basic knowledge and understanding of insurance mechanisms.



Differentiated results

The results varied according to specific national contexts. In Asia, where the political and regulatory environment was relatively stable and markets more structured, progress has been significant. **In Cambodia, Chamroeun** benefited from intensive support for two years. It developed seven agricultural products tailored to local conditions – covering rice, cassava, vegetables, cashews, aquaculture, poultry and pig farming – and strengthened its teams' skills in market research, data collection, product design and pricing. More than 250 farmers were covered in three provinces, nearly three-quarters of whom were women. Strategic partnerships were also forged with technical and actuarial stakeholders, strengthening the system.

In India, Pahal and Annapurna worked to improve their existing products and explore solutions tailored to specific climate risks, including cyclones and droughts.

In West Africa, the results were more modest but equally significant given the difficult circumstances. Recent developments in the international context meant that funding to partners **in Mali and Burkina Faso** was not renewed, in accordance with French public funding eligibility rules.

In Benin, COMUBA set up a fully-fledged insurance department, revised its management procedures for credit and funeral life insurance products and conducted a market study on agricultural insurance among cotton, soybean, rice and vegetable farmers. In Mali, despite an extremely unstable security environment, the **RMCR** network (part of VisionFund International) acquired valuable skills in claims monitoring, data analysis and contract understanding, even though a pilot agricultural insurance product was not successful. I**n Burkina Faso, ACFIME** strengthened its ties with insurance partners and consolidated its technical knowledge.

In Togo, Assilassimé actively participated in training workshops and engaged in strategic thinking on the sustainable integration of microinsurance into its model. An exchange visit to Benin enabled it to identify the shortcomings of a previous index insurance pilot and clarified the conditions for the success of a future roll-out.

In Senegal, Vision Fund Senegal participated in several training sessions, identified an internal resource dedicated to the development of microinsurance and began structured work on insurance opportunities tailored to its portfolio.

A multidimensional strategy

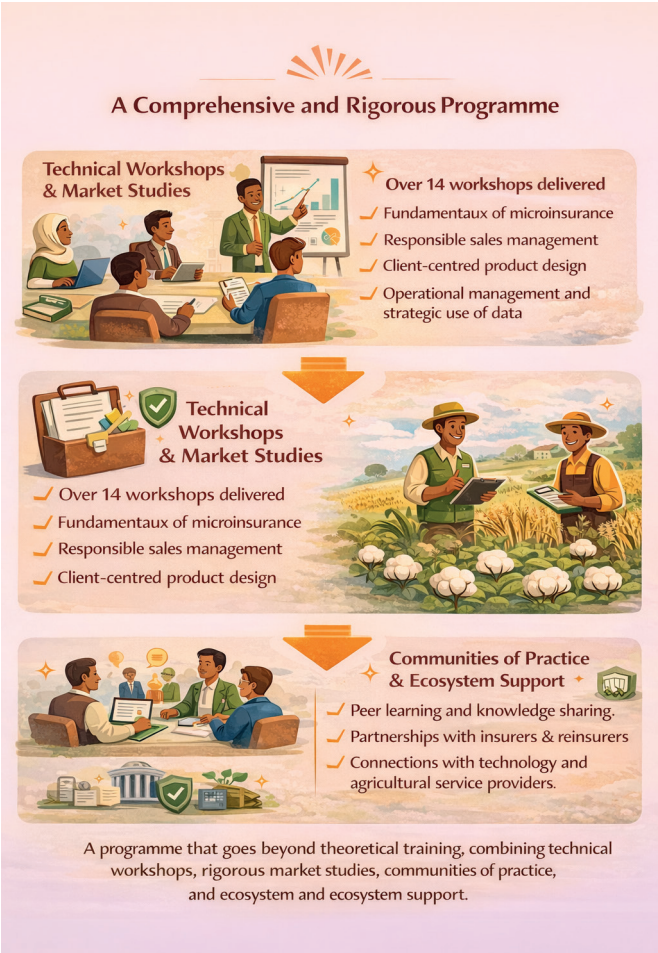
The programme was not limited to theoretical training. It combined technical workshops, rigorous market research, communities of practice and ecosystem support.

Some fifteen workshops took place, covering the fundamentals of microinsurance, responsible sales management, customer-centric design, operational management and the strategic use of data.

Product design approaches were based on in-depth analyses of loan portfolios, focus groups with customers and validation surveys of several hundred potential beneficiaries. This methodological rigour, although costly, proved to be decisive in ensuring the relevance of the products developed.

At the same time, **communities of practice** enabled peer learning and the structured sharing of tools and methodologies. Thematic webinars were organised on regulation, insurance partnerships and digitalisation, strengthening the cohesion of the partner network.

The programme also invested in **supporting the ecosystem:** raising awareness among regulators, facilitating partnerships with insurers and reinsurers, connecting with technology providers and engaging with agricultural organisations.



Key lessons learned

Four years of support have produced several key lessons.

First, **the national context is important.** Institutions operating in stable environments were able to move forward more quickly, while those facing security instability, political crises or population displacement had to contend with significant structural constraints.

Second, **institutional commitment is a key success factor.** Institutions that appointed a senior manager with real decision-making power, supported by senior management and the board of directors, made the most significant progress. Conversely, when microinsurance remained peripheral or insufficiently supported, progress was limited.

The programme also confirmed that **developing a robust microinsurance product takes time** – often between 18 and 24 months – as well as significant resources in terms of market research, actuarial expertise, information systems, pilot testing and team training.

Finally, **collaboration is essential.** Inclusive insurance cannot thrive without a structured ecosystem involving financial institutions, insurers, regulators, technology providers and public partners. **Digitalisation,** in particular, **is a vital lever for achieving scale,** even if it represents a major challenge in terms of investment and technical capabilities.

Structural barriers

Despite the progress made, **several structural obstacles continue to hinder the scaling up of inclusive insurance.**

The first challenge concerns the availability and quality of data. In many rural contexts, the lack of reliable historical data complicates the pricing of agricultural risks and limits insurers' ability to calibrate premiums correctly. This technical uncertainty increases costs and reduces the appetite of private actors.

The insurance culture also remains limited. In many rural areas, informal solidarity mechanisms predominate and confidence in financial products remain fragile. Understanding insurance principles – risk pooling, payment timing, compensation conditions – requires sustained education and support.

Regulatory frameworks, although evolving in some countries, **are not always fully adapted to the specificities of microinsurance,** particularly in terms of digital distribution, index-based insurance and partnerships between financial institutions and insurers.

Operational costs are another major obstacle. The geographical dispersion of beneficiaries, low premiums collected and the need for local support make business models fragile without support or mutualisation mechanisms.

Finally, **funding for innovation remains insufficient.** Developing a viable product requires significant investment in market research, pilot testing, digitalisation and capacity building. However, these start-up costs are often perceived as too high or too risky for institutions to bear alone.

The obstacles mentioned do not call into question the relevance of inclusive insurance; on the contrary, they **highlight the need for structured, patient and coordinated investment** to transform pilot initiatives into sustainable markets.

These constraints underscore that the success of inclusive insurance depends not only on the commitment of financial institutions, but also on the collective ability to create a favourable and sustainable environment.

A roadmap for scaling up

Beyond the quantitative results, **the programme has left a tangible legacy** through strengthening institutional capacities, consolidating knowledge bases and a better-coordinated network of actors. It has demonstrated that, with the right support, microfinance institutions can become credible players in inclusive insurance, even in fragile contexts.

However, **these four years should be considered a start-up phase.** The foundations have been laid, but most institutions are not yet at scale or financially autonomous in insurance segments. The structural obstacles identified—insufficient data, fragile business models, digital investment needs—and called for a more ambitious response.

A **second phase will need to build on what has been achieved while taking a new step forward:** accelerating digitalisation, consolidating insurer partnerships, deepening the structuring of national ecosystems and supporting the scaling up of pilot products. It will require a more structured multi-year commitment, combining innovation grants, enhanced technical assistance and patient capital.

Faced with accelerating climate change and increasing economic vulnerabilities, inclusive insurance is no longer a field of experimentation. It must become a structural pillar of agricultural and financial resilience. The question is no longer whether to act, but how to scale up and coordinate investments to transform the foundations laid into sustainable markets.

About the Grameen Crédit Agricole Foundation

Created in 2008 as a joint initiative by the Crédit Agricole Group and Nobel Peace Prize laureate Professor Muhammad Yunus with the Grameen Trust, the Grameen Crédit Agricole Foundation contribute to the fight against poverty through financial inclusion, focusing primarily on women. The Foundation provides long-term support to partners in the field, to finance their development and adaptation needs. GCAF combines financial investment with technical assistance to reach underserved vulnerable populations.

GRAMEEN CRÉDIT AGRICOLE FOUNDATION
Microfinance & Social Business

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