

News release

InsuResilience Investment Fund (IIF) launches new report on climate insurance in developing countries

Luxembourg, 10 December 2020 – The IIF report presents the results of the Fund’s first six years of operation. To date, the Fund has helped to protect 25 million poor and climate vulnerable people from the effects of climate change.

Since 2015, the InsuResilience Investment Fund (IIF) has worked to build the climate resilience of poor and climate-vulnerable households as well as micro, small and medium enterprises, by increasing climate insurance coverage. It has today launched a new report “Protecting low-income communities through climate insurance”, which takes stock of its experience and achievements over its first six years of operation. As the first fund of its kind to raise private capital to invest in climate insurance markets in developing countries, the fund shares in this report valuable lessons for impact investors, insurers, policy makers and other relevant entities involved in building resilience using insurance and disaster risk finance.

IIF is the only initiative on climate risk insurance investing private capital in private sector companies to increase commercial insurance offerings under the G20 InsuResilience Global Partnership. The Partnership aims to protect more than 500 million additional poor and vulnerable people in developing countries against the impacts of climate change. IIF, managed by BlueOrchard, was initiated by KfW, the German Development Bank, on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). The report shows how IIF uses a blended finance approach to raise public and private capital to invest in innovative companies helping them to launch new or grow existing climate insurance schemes. The Fund’s balanced approach to investing emphasises both climate resilience impact as well as financial returns for investors. It has to date helped protecting 25 million poor or climate vulnerable people in developing countries from the effects of climate change. By 2025, IIF expects to reach between 90 and 145 million beneficiaries.

Authored by independent climate risk advisory firm Acclimatise, the report was based on an analysis of reporting data, interviews and survey responses from IIF’s investee companies conducted by Climate Finance Advisors. IIF’s investees described how the Fund’s capital investments and other support delivered through its Technical Assistance and Premium Support Facilities, help them to overcome some of the major challenges to insurance market penetration in their countries of operation.

To access the report, please click [here](#).

Stefan W. Hirche, Principal Portfolio Manager at **KfW**, said: *“The IIF has successfully established a unique structure through which today 25 million people in 25 different countries benefit from the protection offered by climate insurance. We are proud of the Fund’s ‘contribution to the G20 InsuResilience Global Partnership, and looking forward to scaling its impact significantly until 2025.”*

Maria Teresa Zappia, **BlueOrchard**’s Chief Impact and Blended Finance Officer & Deputy CEO, said: *“IIF is a prime example of a successful blended finance fund. We are very proud to have successfully brought together renowned public and private investors to support poor and vulnerable people in developing countries from the effects of climate change. The fund’s innovative investment strategy and market building objectives represent a unique way to leverage public funds with commercial capital and scale up IIF’s impact and outreach while still striving for financial returns.”*

Lea Mueller, Head of Consulting at **CelsiusPro**, said: *“IIF creates lasting change by supporting its investees to develop and grow their climate insurance products. The IIF’s Technical Assistance Facility has completed 25 projects providing guidance in crucial areas such as insurance product design, distribution, awareness raising and marketing.”*

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About InsuResilience Investment Fund

Luxembourg-based **InsuResilience Investment Fund** has been set up by KfW, the German Development Bank, on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). The overall objective of the InsuResilience Investment Fund is to contribute to the adaptation to climate change by improving access to and the use of insurance in developing countries. The specific objective of the fund is to reduce the vulnerability of low-income households and micro, small and medium enterprises (MSME) to extreme weather events. The InsuResilience Investment Fund has been set up as a public-private-partnership for qualified investors and combines private debt and equity investments in two separately investible sub-funds as well as technical assistance and premium support. The fund aims at both financial return and social impact. For further information, please visit: www.insuresilienceinvestment.fund

About BlueOrchard Finance Ltd

BlueOrchard is a leading global impact investment manager and a member of the Schroders group. The firm is dedicated to fostering inclusive and climate-smart growth in emerging and frontier markets, while providing attractive returns for investors. BlueOrchard was founded in 2001, by initiative of the UN, as the world’s first commercial manager of microfinance debt investments. The firm has built a distinct track record in offering premium impact investment solutions, including credit, private equity, and sustainable infrastructure. Being an expert in innovative blended finance mandates, the firm is a trusted partner of leading global development finance institutions. BlueOrchard has invested to date more than USD 7bn for sophisticated global private and public clients, enabling tangible social and environmental impact. For additional information, please visit: www.blueorchard.com

About CelsiusPro

CelsiusPro is a Swiss InsuTech company specialized in providing technology to structure, execute and administer parametric insurance solutions mitigating the financial impact of adverse weather, climate change, and natural catastrophes for over a decade. CelsiusPro’s White Label Platform is highly scalable across various geographical regions, perils, products, insurers, and re-insurers. Their systematic but flexible approach covers tropical cyclones, earthquakes, agricultural yield, and weather products globally. CelsiusPro’s consulting services include feasibility studies, product design, insurance scheme design, individual risk assessments, process digitalization, and education services. CelsiusPro manages the Technical Assistance Facility of the InsuResilience Investment Fund to protect local communities and small businesses from extreme weather and climate change. For further information, please visit: www.celsiuspro.com

About Acclimatise

Acclimatise is a specialist advisory and analytics company that provides world-class expertise in climate change adaptation and resilience. With experience in more than 90 countries, our work plays an important role in shaping the international adaptation agenda. Since November 2020 Acclimatise is wholly owned by leading global advisory, broking and solutions company Willis Towers Watson. The Acclimatise team is now part of Willis Towers Watson’s Climate and Resilience Hub (CRH). The CRH is a market leading centre of climate adaptation expertise, supported by the Willis Research Network, a network of more than 60 organizations in science, academia, think tanks and the private sector working to improve the understanding and quantification of risk, with the aim to improve the resilience of our clients and society as a whole. For further information, please visit: www.acclimatise.uk.com

About Climate Finance Advisors

Established in 2015 in Washington, DC as a mission-driven Benefit LLC, **Climate Finance Advisors (CFA)** is a women-owned consulting and advisory firm. Its work is at the nexus of private investment and climate change. CFA specializes in helping its clients develop climate finance strategies, appraise and structure climate-aligned investments, channel public and private capital to sustainable investment, and integrate climate considerations into investment decisions, financial products and services, and policies. The CFA team is comprised of finance, international development, and policy practitioners with over 125 years of collective banking, private equity, climate, and infrastructure finance expertise across a range of geographies, sectors, and sustainability domains in the public and private sectors. For further information, please visit: www.climatefinanceadvisors.com

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