



Stimulating innovation and impact insurance in Africa – Independent Final evaluation

QUICK FACTS

Countries: Kenya, Rwanda, Ghana, Senegal, and Côte d'Ivoire.

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Technical Office: Impact Insurance Facility / Social Finance

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BACKGROUND & CONTEXT

Summary of the project purpose, logic and structure

The “*Stimulating Innovation and Impact Insurance in Africa*” project, implemented by the International Labour Organization (ILO) with funding from the Agence Française de Développement (AFD), aims to strengthen inclusive insurance ecosystems in Sub-Saharan Africa by promoting innovation, developing sustainable public–private partnerships (PPPs), and building the technical capacities of key actors. The project was designed to address the persistent vulnerability of low-income households, farmers, and small enterprises who are highly exposed to health, agricultural, and business risks but remain underserved by traditional insurance markets. Its intervention logic is structured around two components:

- i. Innovation Management – supporting the design, piloting, and scaling of inclusive insurance solutions that address the needs of low-income populations. This included a competitive partner selection process, financial and technical support to five implementing institutions, and the placement of Social Finance Fellows within host institutions to catalyze innovation and capacity building.
- ii. Capacity and Knowledge Development – aimed at strengthening the enabling environment for inclusive insurance by generating lessons, conducting trainings, promoting cross-country learning, and fostering dialogue among regulators, governments, insurers, and distribution actors.

The project’s strategy emphasizes multi-stakeholder collaboration and integration of gender, disability, and climate considerations. Geographically, it covers five countries, Kenya, Rwanda, Ghana, Senegal, and Côte d’Ivoire/West Africa, working with national insurers and regional actors. Management is coordinated by ILO’s Social Finance Programme in Geneva, in partnership with AFD, and supported by embedded fellows, local partners, and a Project Advisory Committee providing strategic oversight.

Present situation of the project

At the time of the final evaluation, the “*Stimulating Innovation and Impact Insurance in Africa*” project has completed implementation across its five target countries, Kenya, Rwanda, Ghana, Senegal, and Côte d’Ivoire/West Africa. The project has successfully piloted and supported innovative health, agricultural, and SME insurance solutions, while strengthening the capacities of partner institutions through the embedded Social Finance Fellows and technical

	<p>assistance. Implementation was marked by contextual challenges, including the lingering effects of the COVID-19 pandemic, which influenced demand patterns and required adaptive digital and outreach strategies. Despite some delays in recruitment and adjustments in timelines, the project has broadly achieved its planned outputs and contributed to the emergence of more inclusive insurance markets. The operating context remains one of high vulnerability to climate shocks, economic uncertainty, and limited insurance penetration, underscoring the continued relevance of the project’s objectives.</p>
<p>Purpose, scope and clients of the evaluation</p>	<p>The final evaluation of the “<i>Stimulating Innovation and Impact Insurance in Africa</i>” project has been commissioned by the International Labour Organization (ILO) with support from the Agence Française de Développement (AFD). Its purpose is to assess the project’s relevance, coherence, effectiveness, efficiency, impact, and sustainability, and to generate evidence-based lessons for future programming. The evaluation covers the full project implementation period (1 May 2021 to 30 June 2025) and its geographic focus on five African countries, Kenya, Rwanda, Ghana, Senegal, and Côte d’Ivoire, while also considering cross-country learning. The primary clients of this evaluation are the ILO and AFD, with additional stakeholders including implementing partners, regulators, government institutions, workers’ and employers’ organizations, and the end beneficiaries such as smallholder farmers, informal workers, and SMEs. The findings will be used to inform accountability, guide future project design, and strengthen knowledge sharing within the inclusive insurance ecosystem.</p>
<p>Methodology of evaluation</p>	<p>The evaluation applied a theory-based, utilization-focused, and mixed-methods approach anchored in OECD–DAC criteria, the ILO Evaluation Policy, and UNEG standards. Data were gathered through a comprehensive desk review of project and contextual documents, 16 Key Informant Interviews (KIIs) with ILO staff, partners, Social Financial Fellows, regulators, and social partners, 3 Focus Group Discussions (FGDs) with farmers, informal workers, and women entrepreneurs, and an end-user survey with 28 respondents across five countries. Qualitative data were thematically coded using NVivo, while survey data were analysed using descriptive and inferential statistics with disaggregation by gender, age, disability, and country. Evidence was triangulated across methods, stakeholder levels, and contexts to ensure validity and comparability. Key limitations included evaluation’s reliance on implementing partners</p>



to facilitate in-country access to stakeholders and end-users, recall bias over a four-year project cycle, delays in responses from some stakeholders, and time constraints due to multi-country coverage. Mitigation strategies included purposive and diversified sampling, engagement of local consultants, and flexible scheduling.

MAIN FINDINGS & CONCLUSIONS

Phase II of the AFD–ILO Impact Insurance Facility Project demonstrated that inclusive insurance is both relevant and feasible across diverse contexts, with clear evidence of demand and institutional traction. At the same time, sustainability requires deeper investment in transparency, affordability, and targeted inclusion of marginalized groups, alongside systemic measures to strengthen trust in insurance markets.

The project demonstrated strong relevance, moderate effectiveness, variable efficiency, and promising but uneven prospects for sustainability. Its design responded directly to country needs in extending social protection to informal and rural workers, aligning well with ILO mandates, AFD priorities, and national policy frameworks. By targeting vulnerable groups, particularly women, smallholder farmers, and informal workers, the project addressed a critical protection gap. The demand for inclusive insurance products was evident, with community members describing coverage as “*a light of hope when the harvest fails*” and implementers noting that “*farmers became more willing to join when they saw the first payouts.*”

Relevance - The project’s focus on inclusive insurance was highly relevant to national development priorities in Kenya, Ghana, and Rwanda. Internal strengths included clear alignment with ILO standards on social protection floors and tripartism, while external enabling conditions included government interest in expanding health and agricultural insurance schemes. However, contextual challenges, such as low literacy, weak insurance culture, and distrust of public insurers, negatively affected uptake, particularly among rural women and youth.

Coherence - The project demonstrated strong internal and external coherence by aligning with national strategies, donor priorities, and institutional frameworks, while also complementing other development initiatives. In Rwanda, tea insurance was integrated into agricultural and cooperative strategies; in Ghana, reforms through

GAIP supported implementation of the Insurance Act 2021; and in Kenya, health pilots complemented NHIF/SHIF reforms for informal workers and SMEs. Coordination with partners such as the World Bank in Senegal and GIZ in Ghana ensured continuity and avoided duplication, while cross-country exchanges, study visits, and training-of-trainers cascades enabled South–South learning and knowledge transfer. Despite these achievements, gaps remained in tripartite engagement and systemic coordination, particularly in ensuring consistent involvement of workers’ and employers’ organizations across countries.

Effectiveness - The project achieved notable results in piloting and expanding insurance products. For example, in Ghana, farmer sensitization reached thousands, and in Kenya, market associations piloted health microinsurance. These achievements illustrate responsiveness and innovation. Yet, gaps emerged in claim transparency, product affordability, and inclusion of youth and persons with disabilities. Effectiveness was strongest where partnerships with cooperatives and associations allowed scale-up, but weakest where trust deficits or technical capacity constraints limited engagement.

Efficiency - The project achieved efficiency by leveraging partnerships with cooperatives, insurers, and local associations to rapidly scale outreach and training. As one farmer reflected, “*We met about 3,000 farmers in just a few months— something we could not have managed without the project’s support.*” Strategic use of resources enabled wide sensitization, though efficiency was constrained by COVID-19 disruptions, climate-related shocks, and internal delays in product design. For end users, high transaction costs in claim processing — especially where intermediaries were involved — further limited perceived efficiency.

Impact - The project’s most tangible impact was increased awareness and initial uptake of inclusive insurance, particularly among women farmers in rural areas. Beneficiaries reported reduced anxiety and greater willingness to invest in farming activities when insured. Institutional impacts included enhanced technical capacity among national insurance regulators and cooperatives. However, the impact was diluted by structural challenges: limited claim payouts undermined trust, and exclusion of marginalized groups such as youth and PWDs meant the effect was uneven.

Sustainability - Sustainability prospects are mixed. On the positive side, regulatory bodies in Kenya and Ghana demonstrated strong buy-in, and some insurers are institutionalizing gender and inclusion policies. Partnerships with cooperatives provide a pathway for continued delivery beyond the project period. On the negative side, sustainability is threatened by affordability challenges, a lack of effective risk pooling for small farmers, and continuing distrust in claim processes. Without stronger institutional accountability and dedicated strategies for youth and PWD inclusion, long-term continuity may be fragile.

Internal and External Conditions - Positive internal conditions included strong technical expertise, clear alignment with ILO standards, and robust partnerships with cooperatives and associations. Negative internal conditions included limited capacity for monitoring inclusion outcomes and insufficient focus on transparency in claim settlement.

Positive external conditions included government commitment to expanding social protection schemes, donor alignment, and rising policy recognition of climate-related risks. Negative external conditions included weak insurance culture, low financial literacy, political sensitivities around social protection expansion, climate shocks (floods and droughts), and COVID-19 disruptions.

RECOMMENDATIONS, LESSONS LEARNED AND GOOD PRACTICES

Recommendations

1. ***Institutionalize inclusive insurance through legal and policy frameworks*** - Anchor inclusive insurance in national laws and policies to secure sustainability beyond pilots. This should include codification of reforms, alignment with financial inclusion and social protection agendas, and provisions for affordability and consumer protection.
2. ***Expand gender- and youth-responsive insurance products*** - Expand tailored insurance products for women, youth, PWDs, and SMEs to close equity gaps. Cooperative channels and digital platforms should be leveraged to diversify products (e.g., small livestock, health cover for informal workers).
3. ***Strengthen user education and grievance mechanisms alongside digital rollouts*** - Strengthen financial literacy, transparent communication, and accessible grievance mechanisms alongside digital rollouts. This will ensure users understand premiums,

	<p>payouts, and claims while having recourse to independent redress systems.</p> <ol style="list-style-type: none"> 4. <i>Scale up the fellowship and training-of-trainers (ToT) capacity-building models</i> - Establish clear, participatory, and well-communicated processes for how payouts are calculated to avoid perceptions of unfairness. Increased openness around actuarial models, weather data, and basis risk will reduce mistrust and community tensions. 5. <i>Integrate climate risk into health and social insurance</i> - While agricultural insurance effectively embeds climate resilience, health and social protection schemes lag. Future designs should mainstream climate risk into health financing reforms and social insurance products, expand coverage for climate-sensitive illnesses, and design bundled products that link agricultural and health coverage. 6. <i>Strengthen transparency and fairness in claims calculation</i> - Unclear payout processes eroded trust in several contexts. Insurers, regulators, and governments should adopt transparent, user-friendly claims calculation methods, issue individualized payout statements, and establish grievance channels. Cooperative-based validation can enhance accountability and fairness. 7. <i>Strengthen monitoring and evaluation systems for learning and accountability</i> - Enhance monitoring and evaluation to capture behavioral change, gender/youth outcomes, and household welfare effects. Digital feedback loops and disaggregated data should inform accountability and adaptive learning.
<p>Main lessons learned and good practices</p>	<p>Lessons Learned</p> <ol style="list-style-type: none"> 1. <i>Embedding insurance products in existing community structures enhances trust and uptake</i> - Schemes implemented through cooperatives, savings groups, and local associations achieved higher enrollment and retention because communities trusted familiar intermediaries over external actors 2. <i>Digitalization is necessary but insufficient without parallel investment in literacy and communication</i> - While MIS and mobile platforms improved efficiency, users with low digital literacy struggled to engage fully. Pairing digital tools with accessible training, local-language communication, and ongoing support proved essential for meaningful participation. 3. <i>Transparent, individualized, and timely claims communication builds trust and drives uptake of insurance schemes</i> - Lack of

clarity in payout calculations created mistrust and reduced re-enrollment. Conversely, transparent and personalized claims communication, via SMS alerts, cooperative briefings, and clear formulas, improved credibility and sustained user participation.

4. ***Sustainability requires legal and policy anchoring rather than reliance on individual champions*** - Programs driven by strong individuals often stall when leadership changes. Embedding inclusive insurance into legal and policy frameworks ensured continuity, accountability, and institutional ownership.
5. ***Gender-responsive design increases uptake but requires deliberate targeting of underserved groups*** - Targeted outreach and product adaptation for women, youth, and PWDs significantly improved participation, but inclusion did not occur automatically. Success depended on deliberate design, active engagement, and sex-, age-, and disability-disaggregated monitoring.

Good Practices

1. ***The fellowship model as a scalable approach to building insurance expertise*** - Embedding fellows within insurers and regulatory bodies enhanced technical skills, governance, and digital innovation. The model built institutional memory and is replicable in regions facing human resource gaps in inclusive insurance.
2. ***Linking climate-smart insurance with national social protection schemes*** - Aligning agricultural insurance with government-led social protection programs created synergies in scale, data sharing, and subsidy targeting, increasing both impact and sustainability.
3. ***Using cooperatives as trusted intermediaries for last-mile delivery*** - Cooperatives successfully bridged trust gaps by aggregating demand, facilitating communication, and supporting claims processes—proving especially effective where formal insurance infrastructure is limited.
4. ***Insurance schemes directly targeting climate change adaptation*** - Index-based and climate-smart agricultural insurance products integrated environmental sustainability into financial protection, safeguarding livelihoods against droughts and floods while promoting adaptive farming practices.
5. ***Clear and individualized payout communication strengthens trust and sustains enrollment*** - Transparent, personalized



communication through MIS platforms, SMS, and cooperative meetings increased fairness, satisfaction, and renewal rates. This practice directly supports the project's goal of building trust and long-term participation in inclusive insurance schemes.