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This evaluation has been conducted according to ILO's evaluation policies and procedures. It has not been professionally edited, but has undergone quality control by the ILO Evaluation Office

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Acronyms and Abbreviations

AFDB	African Development Bank
CAD	Community Agro Dealers
CBO	Community Based Organisation
CEEC	Citizens Economic Empowerment Commission
CSO	Central Statistical Office
CSO	Civil Society Organisation
DAC	Development Assistance Committee
DCED	Donor Committee for Enterprise Development
DFA	District Farmers Association
FAO	Food and Agriculture Organisation
FDG	Focus Group Discussion
FISP	Farmer Input Support Programme
ICT	Information and Communication Technologies
IDE	International Development Enterprises
ILO	International Labour Organisation
KTDA	Kenya Tea Development Authority
KYM	Kinga ya Mkulima
MCTI	Ministry of Commerce, Trade and Industry
MFI	Micro Finance Institution (s)
MoA	Ministry of Agriculture
MoLSS	Ministry of Labour and Social Security
MSME	Micro Small and Medium Enterprises
MTEF	Medium Term Expenditure Framework

MTR	Mid Term Review
NEPAD	New Economic Partnership for African Development
NSC	National Steering Committee
PM	Portfolio Manager
RCA	Reality Check Approach
SACCO	Savings and Credit Cooperatives
SECO	State Secretariat for Economic Affairs
SDG	Sustainable Development Goals
SSA	Sub-Saharan Africa
TCPR	Technical Cooperation Progress Report
TOC	Theory of Change
ToT	Training of Trainers
VC	Value chain

Executive Summary

This is the report of the Independent Final Evaluation of the FSD Africa and International Labour Organization's (ILO) Impact Insurance Facility Project.

FSDA is a non-profit entity that promotes financial sector development across Sub-Saharan Africa. FSD Africa is funded by UK aid from the UK Government. It aims to reduce poverty across sub-Saharan Africa by building financial markets that are efficient, robust, and inclusive. It uses funding, research and technical expertise to identify market failures and strengthens the capacity of its partners to improve access to financial services and drive economic growth.

International Labour Organisation (ILO) is a specialized United Nations agency devoted to promoting social justice, human and labour rights. The ILO Impact Insurance Facility is housed at the ILO and its aim were to cumulatively reach one million MSMEs and poor individuals in selected Sub-Saharan African countries with affordable and ideal insurance products by October 2019.

FSD Africa and ILO's Impact Insurance Facility ("the Facility") entered into partnership to implement change management with seven leading insurers and distributors across five countries in the Sub-Saharan Africa as follows.

- ▶ Kenya: Equity Insurance Agency and Britam
- ▶ Ethiopia: Nyala and Kifiya
- ▶ Mozambique: NBC
- ▶ Nigeria: AXA Mansard
- ▶ Ivory Coast: SUNU

Overall evaluation

International Labour Organisation commissioned the final independent evaluation. The overall objective of the evaluation was to understand the performance and impact of the project since its inception in 2016. The specific objectives for the final independent evaluation were¹:

- ▶ Determine the degree of efficiency with which FSD Africa and the Facility are delivering the intervention
- ▶ Identify good or promising management practices used in the planning or design and delivery of these initiatives

¹ Terms of Reference FSD Africa and ILO Project_2019_Final

- ▶ Provide evidence of the impact achieved to date on target institutions, and the insurance markets, including the end-line clients of the insurance products developed under this initiative
- ▶ Define the actions that may need to be taken to ensure the project returns or remains on course to deliver intended impact based on the evidence
- ▶ Provide strategic and operational recommendations as well as lessons to improve performance and delivery of programme results; and
- ▶ Assess the relevance, efficiency, orientation towards impact and sustainability of the intervention
- ▶ In addition to the above evaluation criteria and themes, the independent evaluation looked at the entire aspects of project including the project environment and project organization.

Evaluation Methodology

The standard international OECD/DAC evaluation criteria² were applied to this evaluation, namely relevance, efficiency effectiveness, efficiency, impact and sustainability. The evaluation covered the five countries where the facility was implemented.

The methodology allowed the collection of specific key performance indicators identified and compared them to the baseline and midterm evaluations to show the progress made. A desk review of relevant project documents, implementing partners, the donor and government's documents was conducted. Internet search was also performed. The in-depth interviews were conducted to gather data from various key stakeholders and project beneficiaries and fellows using a predetermined set of questions in a person to person interaction through Skype, telephone interviews and in-person meetings in cases where informants were in Kenya.

Summary of the evaluation findings

Relevance and strategic fit

The FSD Africa/ILO project has been relevant and well targeted as it sought to address the need for the various stakeholders and agenda as follows:

Low-income clients: All the seven implementing partners aimed at addressing challenges affecting micro-insurance uptake among the low-income segment. The projects designed new products or redesigned existing products informed by the market research conducted within the low-income clients in respective countries.

² OECD/DAC Network on Development Evaluation (2019). Better Criteria for Better Evaluation: Revised Evaluation Criteria Definitions and Principles for Use. Retrieved from www.oecd.org/dac/evaluation

Farmers: Small holder farmers benefited through accessing weather index-linked crop insurance product bundled with loans and livestock index products. The implementing countries have agriculture being practised by approximately 80 per cent of the population and accounting for 45 per cent of the country's economic output.

Health insurance, funeral insurance products, life insurance covers were beneficial for family members, registered groups and small and medium enterprises. The project was also instrumental in increasing awareness and customer education on formal insurance products and its benefits. Insurance in most Sub Saharan Africa countries was a rare notion particularly for the low-income population.

The project innovations were relevant to the business strategies of the implementing partners which led to structural changes being implemented by all the seven partners in the project. Some of the innovations includes digitization of various processes, capacity building, incentive schemes, process mapping, and development or refinement of micro-insurance products.

Partnerships were formed under the project, which enhanced the project's outreach to the low-income segment and increased the value proposition of micro-insurance to the segment. Some of the partnerships included cooperatives, insurers, digital health, and the government bodies among others.

In the global Agenda, the Project's was relevant in making contributions to the following priority Sustainable development goals (SDGs), 1- No poverty, 2- Zero hunger, 3-good health and wellbeing, and 17-partnerships for the goals.

Project management, Coherence and Validity

FSD Africa/ILO project interventions targeted the main needs and sought to create impact by increasing access to formal financial services for poor adults in Sub Saharan Africa. The project strategies supported the organizations to become the ambassadors of change demonstrating the impact and encouraging other institutions to adopt change management.

The monitoring tools including the dashboards did not clearly indicate the time in terms of months and year, making it challenging to clearly track the progress and achievements. In addition, the progress against set milestones was difficult to track due to failure to use the recommended Red-Amber-Green ratings to assess progress of the project Key performance indicators.

Effectiveness

The project overall achieved most of its targets. The projected had aimed that each partner would design or refine two solutions but some of the partners like Kifiya Plc. surpassed and designed four new products and redesigned one existing product and

AXA Mansard designed five new products and refined two existing products. The project was also innovative including product innovation where the project used gamification marketing techniques to encourage high customer enrolment and generate volumes and process innovation where the micro-insurance simplified customer registration processes and reduced the number of KYC documents for the Malaria Plan product. The partners leveraged on technology to develop products and implement new operational changes within their institutions.

Some of the implementing partners had challenges meeting some of the set targets and implementation of the project activities were not done in a timely way, some dragging behind. FSD Africa and ILO decided to terminate the project Nyala in Ethiopia, based on the results of the mid-term evaluation, and as a result of the lack of progress in setting up the microinsurance department and lack of sales. For NBC Mozambique, the project had delays in achieving its milestones. This necessitated the review of the results framework to allow for a design of only one product as opposed to two products. The project experienced considerable delays in contracting process of the ILO Fellow who reported to NBC six months late.

Table 1 Summary of partner’s Key Performance Indicators

Indicators	Target	Total
Number of new products designed	10	24
Number of existing products redesigned	10	6
Number of new products tested	10	22
Number of products scaled-up	5	14
Number of low-income people enrolled to new solutions (new clients)	1,000,000	925,976
Number of low-income people enrolled to new solutions (new clients)	1,000,000	515,976 (products)
Number of new low-income people enrolled to existing solutions (new clients)	1,000,000	410,000
Number of those who are women (new clients)	Not captured	15,370 (not captured by all partners)

Number of low-income people benefiting from changes to existing products/processes	Not captured	11,986,096 (includes NHIA)
Number of TA assignments provided to partners by Facility team and consultants	25	16
Number of new strategies/processes developed	Not captured	43
Number of changes made within organisation	5	16
Number of partner's staff trained	140	15,424
Number of distribution partnerships set up	Not captured	30
Number of lessons/cases documented	10	15
Number of knowledge sharing events to broader community	10	30

Efficiency

The Project was efficient in terms of utilising resources. The project awarded the implementing partners an innovation grant of USD 50,000 in tranches based on the achievement of project milestones. They were expected to contribute half of the amount of innovation grants and cover the costs of market studies. AXA Mansard, self-funded the project and did not receive the fund. Equity and Kifiya received the funds from AFD. The partners spent the grant fund on market research activities including field visits and training. However, the efficiency of the project would need an elaborate assessment measuring the milestones achieved and beneficiaries from the innovations in comparison to the resources used.

Each partner was allocated an ILO Fellow who was based at their organization. To improve the quality of the products developed, the project conducted mentorship and trainings for the staffs. Notably, the project utilized the pre-existing resources such as ILO fellows to provide the day to day support and technical assistance to the implementing partners. The project has also contributed to enhancing the skills of the ILO Fellows.

Regarding monitoring and evaluation issues, the project envisioned that it will deepen the reach of insurance to the low-income segments. The project reporting frequency was well done on a quarterly and semi-annual basis which was adequate for tracking the project process, progress and timeline. The narrative reporting templates were shared by the FSD Africa for consistency. The dashboard was used by the project to monitor respective partner's outcome. The dashboard clearly showed the products and process in different stages such as 1) products under development, 2) products designed and redesigned 3) Number of products tested, 3) Number of products scaled up, and 4) Number of new people reached.

The monitoring tools including the dashboards did not clearly indicate the time in terms of months and year, making it challenging to clearly track the progress and timeliness of the achievements. The progress against set milestones was difficult to monitor due to failure to use any kind of ratings to assess progress of the project key performance indicators.

There was no clear definition of who the middle and low-income customer segments would be. Additionally, there was no tracking of the changes that took place among the community or beneficiaries to know the changes that took place due to the products developed or the change processes implemented.

Impact and sustainability of the intervention

The project was implemented at a time when there was wide recognition of the need for insurance products particularly to the population. The project interventions led to the increased knowledge and awareness through customer education on formal insurance products and their benefits among the low segment populations where acquiring an insurance was a rare notion. All partners implemented strategic and operational changes in their micro-insurance business. The impact of these interventions in the institution and on clients will be anchored on how well these changes are institutionalized such as mainstreaming the process of market research and use of technology in product development.

For sustainability and business viability of the products, the partners will need to continue mainstreaming the interventions into the normal business operations of the partner organizations. The project employed a participatory approach to technical assistance where the Fellow transferred skills and competencies to the partner staffs.

However, the projects heavily relied on the Fellows in executing the set interventions. This poses a risk to the continuity of the innovations after the end of the support or after the Fellow's term comes to an end.

The project period was short taking around two years whereas on average, an insurance product can take more than three years to break-even.

The regulators and government bodies of the countries where the project was implemented namely Kenya, Ethiopia, Mozambique, Nigeria, and Ivory Coast envisage deepening of micro-insurance as the penetration of insurance services is low in most Sub Saharan Africa countries. To reach the targeted one million households with insurance services, the project and the implementing partners would need to scale up the products to more clients.

Gender Issues

The monitoring tools including the dashboards did not clearly disaggregate the data into gender. Lack of disaggregated data makes it difficult to track how many women or men were specifically reached by the projects and how differently they were affected positively by the project interventions.

Strategic and operational recommendations

1. The facility did not participate in the selection process of NBC. In such a case, the facility should facilitate regular joint discussions and check in meetings with all the project stakeholders to address any issues arising and give needed advice.
2. Consider extension of the Fellowship programme and the extension of the project time from two years to a slightly longer period approximately three years, in future programmes. This will provide time for support for partners and time for the project to achieve considerable outcome, milestones and even impact in the market. A longer support period to the institutions on consumer education and awareness activities on insurance would help in sustaining achieved outcomes.
3. The program should expand the standardized monitoring and reporting template to incorporate timelines in months and years. This will accurately and systematically capture the progress of the project activity implementation by partners and the effect of the project interventions on the end clients. This will also detect early enough the cause of any delay of a set activity and look an appropriate solution.
4. The program should consider revising the monitoring and reporting tools to systematically disaggregate the information of the end client into both male of female and age groups.
5. For sustainability of the project gains, the project should consider developing and documenting a clearer exit strategy for Fellows at the end of the project term for future projects.
6. The ILO/FSD Africa should consider supporting the respective partners in lobbying to the regulators to consider revising policy that hampers innovations in micro insurance.

Good practices and Lessons learnt

Good practices

1. The FSDA/ILO approach of partnership and the implemented change management process was a good practise. The use of fellow was very innovative and strategic. The fellows were versatile and instrumental in mapping out processes, project management, and working with the different internal and external teams as well as partners to ensure a proper implementation of the key initiatives.
2. Market research and value chain assessment is a good practice to understand all the actors involved in the production of products and deployment of a distribution channel. This leads to understanding the target client segments and obtain insights on the customers, hence design a tailor made micro-insurance products for clients.
3. Project staff's ability to learn through community of practice and exchange forums. Is also a good practice to disseminate the lessons learnt to the larger population.

Lessons learnt

1. Good insurance regulations have, positive impact on the projects and on micro insurance. This leads to quick approvals for development, testing and launching of insurance product
2. The importance of use of Digital and technological platforms enhance the quality, development and distributions of the products.
3. The project period was short taking around two years whereas on average, an insurance product can take more than three years to break-even.

1.0 Background Information of the Project

This is the report of the independent Final Evaluation of the Financial Sector Deepening Africa (FSDA) and International Labour Organisation (ILO) Impact Insurance Facility.

Financial Sector Deepening Africa is a non-profit entity that promotes financial sector development across Sub Saharan Africa. FSD Africa is funded by UK aid from the UK Government. It aims to reduce poverty across sub-Saharan Africa by building financial markets that are efficient, robust, and inclusive. It uses funding, research and technical expertise to identify market failures and strengthens the capacity of its partners to improve access to financial services and drive economic growth.

International Labour Organisation is a specialized United Nations agency devoted to promoting social justice, human and labour rights. The ILO's Impact Insurance Facility focuses upon enabling the insurance sector, governments, and their partners to embrace impact insurance to reduce households' vulnerability, promote stronger enterprises and facilitate better public policies. The Facility has worked with more than 60 national and multinational insurers and distributors such as MFIs and banks. Based on this vast experience, the Facility identified the critical role that innovation plays in expanding the reach of micro-insurance globally.

The ILO Impact Insurance Facility is housed at the ILO. The project aimed to cumulatively reach one million Micro, Small & Medium Enterprises (MSMEs) and poor individuals in selected Sub-Saharan African countries with affordable and ideal insurance products by January 2020.

FSDA and ILO's Impact Insurance Facility ("the Facility") entered into partnership to implement change and innovation management process with seven leading insurers and distributors across five countries in the Sub-Saharan Africa. Project period was four years from 2016 to 2020. The selected 3 insurance companies and 2 distributors were as follows³.

- ▶ Kenya: Equity Insurance Agency and Britam
- ▶ Ethiopia: Nyala and Kifiya
- ▶ Nigeria: AXA Mansard
- ▶ Ivory Coast: SUNU
- ▶ In Mozambique, the NBC was selected later by FSD Mozambique

³ ILO Inception report (2016)

With regards to Nyala, in Ethiopia, based on the results of the mid-term evaluation, and as a result of the lack of progress in setting up the micro insurance department and lack of sales, the ILO and FSDA decided to terminate the project.

1.1 Overall Objective

The project was to enhance the impact of the insurance industry and successfully meet the risk management needs of MSMEs and low-income households. To achieve this, the implementing organizations would need to make substantial changes to their business models and change their standard operating procedures and internal structures.

1.2 Specific objective of the project

The project specifically focused on the following objectives⁴:

- i. Adopting a customer-centric approach with clear performance metric such as lifetime value, which link client needs to firm value;
- ii. Understanding clients' needs as fundamental to providing clients with value;
- iii. Allowing insurers and distributors to make better-informed allocation of marketing resources across customer acquisition, retention and development strategies;
- iv. Develop change management tool to facilitate the generation of innovative insurance solutions for the low-income markets

1.3 Project Results management framework

1.3.1 The Change Management

The genesis of Change Management to Achieve Impact with Insurance project is anchored on the fact that a good number of insurers and distributors are new to micro-insurance. The FSDA/ILO partnership having supported innovations in over sixty organizations, had seen that organizations often needed to go through a systematic change management process to get ready to effectively serve the low-income market. FSDA and ILO's Impact Insurance Facility envisioned the need to implement changes to the insurers' and distributors' business models to sustainably increase the value proposition of micro-insurance for the low-income segments.

To achieve this, implementing organizations needed to make substantial changes to their business models, standard operating procedures and internal structures.

Systematic change: Organizations identified, would undergo a change in systematic management process and business models to effectively serve the low-income market.

⁴ Terms of Reference FSD Africa and ILO Project_2019_Final

Innovation cycle: Leveraging on the lessons, learnt, the Facility aimed to support the selected organizations, through an innovation cycle of new products, technology, or partnership, to be better placed to serve the low-income market in the future.

Action research: Partners were expected to participate in action research process, analyzing and documenting lessons from the innovative efforts.

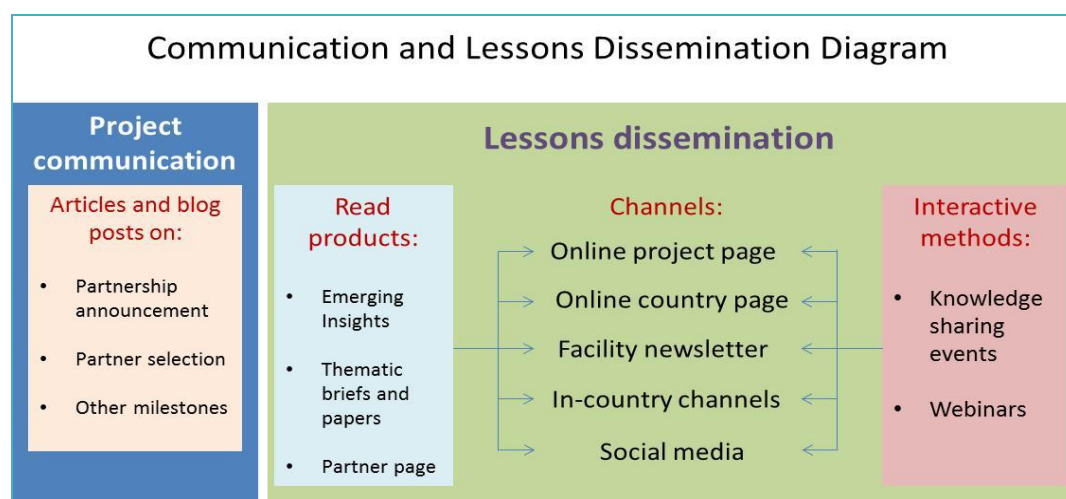
1.3.2 Capacity building of partners

The project planned to create and pilot the change management toolkit and training modules. These would be used to facilitate peer learning groups, including innovation partners and others. One webinar and one peer exchange visit would be held annually and active participation was expected in practitioner forums, both virtual and in person, sharing experiences with other organizations and those interested in learning about micro-insurance.

1.3.3. Communication and Dissemination Channels

A central purpose of the Facility was to document and disseminate lessons learned. Based on the Facility’s past experience in working with innovation partners, the project recommended the channels and tools already being used for dissemination. Partners were expected to participate in an action research process and document the lessons from their innovative efforts. This process included providing financial reports, regular updates of the project, and reflections on why certain outcomes occurred or did not. The project also leveraged on the FSDA’s communication platform to increase the outreach, in the local Sub-Saharan markets. The channels are outlined in the figure below⁵.

Figure 1 Communication and Dissemination Channels



⁵ ILO Inception report

1.4 Selection of Relevant partners

Partners were selected using the developed criteria with six stages: 1) issuing the request for proposal, 2) shortlisting companies, 3) defining the project and confirming interest, 4) visiting the short-listed companies, 5) recommending companies to FSD Africa and making final selection and 6) conducting strategic review to design project and begin implementation. In addition, the organizations were expected to be committed to add value to clients and interested in using technology and digital solutions to improve efficiencies.

2.0 The Evaluation Approach and Methodology

This section describes the framework for the final independent evaluation, including the evaluation criteria, the questions that guided the data collection, the methodology, tasks and deliverables. The independent evaluation served the following purposes⁶:

- i. Determine the degree of efficiency with which FSD Africa and the Facility are delivering the intervention
- ii. Identify good or promising management practices used in the planning or design and delivery of these initiatives
- iii. Provide evidence of the impact achieved to date on target institutions, and the insurance markets, including the end-line clients of the insurance products developed under this initiative
- iv. Define the actions that may need to be taken to ensure the project returns or remains on course to deliver intended impact based on the evidence
- v. Provide strategic and operational recommendations as well as lessons to improve performance and delivery of programme results; and
- vi. Assess the relevance, efficiency, orientation towards impact and sustainability of the intervention

2.1 Evaluation criteria and thematic areas

The standard international OECD/DAC evaluation criteria⁷ applied in project evaluations included relevance, efficiency effectiveness, efficiency, Impact and sustainability as indicated below:

- i. To assess the degree of efficiency of the FSD Africa and the Facility approaches used
- ii. To harvest the impact achieved on target institutions, and the insurance markets, including end-line clients of the insurance products developed.
- iii. To assess the relevance of FSD Africa and the Facility
- iv. To assess the sustainability mechanisms of the interventions

Other themes included in the ToR were,

- v. To identify the good or promising management practices implemented in the planning, design and delivery of initiatives

⁶ Terms of Reference FSD Africa and ILO Project_2019_Final

⁷ OECD/DAC Network on Development Evaluation (2019). Better Criteria for Better Evaluation: Revised Evaluation Criteria Definitions and Principles for Use. Retrieved from www.oecd.org/dac/evaluation

- vi. To define the actions needed to ensure the project returns on course to deliver intended impact
- vii. To provide strategic and operational recommendations and lessons to improve performance and delivery of programme results

2.2 Scope of the Evaluation

In addition to the OECD/DAC evaluation criteria and themes, the independent evaluation covered entire aspects of project including the project environment and project organization. The Evaluation was carried out within the five countries covered by the FSD Africa/ILO Impact Insurance Facility namely: Ethiopia, Ivory Coast, Kenya, Mozambique and Nigeria.

The evaluation also look into gender and non-discrimination issues. The evaluation followed EVAL's guidance note on integrating gender equality into evaluations. It incorporated gender sensitive evaluation questions, and well as data collection methods to yield results on the extent gender issues were considered and addressed by the project.

The evaluation has been carried out in adherence with the ILO Policy Guidelines for Results-Based Evaluation, ILO Policy Guidelines for Evaluation and related Guidance Notes, and the OECD/DAC Evaluation Quality Standard. The evaluation team is committed to operating all aspects of their work in an ethical manner, including respecting the rights of employees, promoting non-discriminatory practices and acting in accordance with the laws of the countries the team works in.

2.3 Data collection instrument

The evaluation questionnaire consisted of a number of questions to be posed to different categories of stakeholders. Most were adopted from the ToR, a few rephrased to capture relevant information. A number of questions were added to cover the whole scope of evaluation. The questions are summarized under respective OECD-DAC criteria.

Relevance and strategic fit

- To what extent were the objectives and interventions of the FSD Africa/ILO Impact Insurance Facility consistent with the beneficiaries' requirements?
- How did the objectives and interventions of the project responded to partners' needs?
- How was the FSD Africa/ILO Impact Insurance project goal and objectives consistent with and supportive of the respective country policy environment?
- To what extent were the project goal, purpose, results and objectives consistent with and supportive of the global priorities such as the SDGs target and indicators?

- How did the project complement and fit with other on-going ILO and other partners including relevant work by other UN partners?
- What alternative approaches have proved to be more relevant to the context of the environment?
- To what extent did the project leverage partnerships (with constituents, national institutions and other UN/ Development agencies) that enhanced project relevance and contributed to priority SDGs (e.g. 2, 3, 9 and 17)?

Effectiveness

- To what extent did the project achieve its set objectives and targets in respective countries?
- To what extent were the planned interventions implemented as per the scheduled work plan in a timely way?
- What achievement did the projects have in promoting the launched products? What were the favourable factors- strengths?
- What problems, challenges or failure did the projects face towards achieving the project objectives? What were the inhibiting factors-weaknesses?
- Which areas (geographic, components, issues) did the project have the greatest achievements? What were the supporting factors?
- What positive spill over's occurred to non-insurance policy holders in terms of their ability to mitigate the risk in the absence of insurance? What other unintended results were observed - negative or positive?
- To what extent did access to your products provide critical safety net to low income households against life challenges such as death, disability, hospitalization, crop failure etc.?
- To what extent can the identified results be attributed to the activities of the Project intervention?
- To what extent did different genders such as women participate in accessing the various insurance products? What evidence shows that the participation led to positive changes in their economic and/or social position?
- To what extent were the interventions, monitored and achieved (or not)? What was their contribution towards (i) Gender equality and non-discrimination (ii) Inclusion of people with special interest such as disabilities?
- To what extent have the expected outputs and outcomes been achieved or are likely to be achieved in relation to its results framework or operational objectives?
- What can be determined as regards quality of produced outputs/outcomes?

Efficiency

- To what extent were the resources, both financial and technical adequately planned and leveraged, for the intended interventions? Were the resources availed on time and allocated strategically to achieve the expected results?

- To what extent were the team responsible for the change management and new products design, competent and skilled? That is in planning & budgeting, implementation, monitoring and evaluation, launching the products?
- In your opinion, how did the criteria used in selecting of partners give a comparative advantage?

Impact orientation and sustainability

- To what extent did the project apply appropriate technology and innovations likely to be sustained?
- How did the project strengthen the capacities and readiness of local structures and other stakeholders to receive back-stopping support?
- To what level did the intended customers and clients have a sense of ownership? Are they able to continue using the insurance policy even after the project period is over?
- To what degree are the products and innovations of the project likely to be scaled up and replicated by other partners after major assistance has been completed?
- How likely are the results of the intervention likely to have a long term, sustainable positive contribution to the country goals, SDGs and relevant targets?
- What positive or negative interactions between the achieved outcomes could influence the durability of the interventions? (Including environmental sustainability)?
- Project management, Coherence and Validity (these also fall under other criteria above, e.g. under effectiveness)
- How did the result framework meet the expectations of the ILO and the FSD Africa?

PROBE FOR the main causes of the problem?

PROBE FOR To what extent did the project apply the Results based management- Ask for reports, case studies; How meetings were held; Process of reaching the beneficiaries

- To what extent was the project design (objectives, outcomes, outputs and activities) logical and in synergy with the theory of change? Ask for the TOC, log frames
- How realistic were the risks and assumptions upon which the project logic was based? If any
- To what extent did the stakeholders and partner organisations contribute to changes in management arrangements, communications and clarity regarding implementation of activities?
- Which good practices achieved during the project period can be replicated in similar projects current and future?
- How did the model of using the fellows contribute to the achievements by the project?

- How adequate were the Project's management arrangements, role/tasks distributions, M&E system and overall governance arrangements of the project?
- To what extent did the Project staff and the fellow receive administrative, technical and capacity building support when needed from FSD Africa and ILO?
- How well did the project use the indicators to assess the project's progress? Did the indicators enable reporting on progress under specific objectives?
- How well has the M&E and reporting system supported the project performance?
- To what extent did the project use the Knowledge Management actions to disseminate lessons learned and documented to the broader industry and partners
- How has the project designed/used the performance indicators, or indicators of achievement?
- What should have been done differently (if any) or should be avoided in the next phase of the project or other similar projects?

2.4 Evaluation Design

This was a cross-sectional study covering the five countries where the project was implemented. The methodology allowed the collection of specific key performance indicators and compared to the baseline and midterm evaluations to show the progress made. The evaluation mainstreamed gender equality and non-discrimination through specific questions, and data gathering techniques that allow representing and analysing disaggregated information.

2.4.1 Desk review of project documents

This comprised of desk review of relevant project documents, implementing partners, the donor and government's documents. The Evaluator reviewed the following among others:

Projects progress reports (annual and bi-annual, quarterly), minutes of meetings, Work plans, inception and Midterm Evaluation, review reports, Projects log frames and theory of change, Project monitoring plans and templates, Government documents and National guidelines, Surveys conducted in respective countries and Policy frameworks. In addition, the Evaluator conducted electronic search of the project. Desk review was continuous process throughout the evaluation.

2.4.2 In-depth Interviews

The in-depth interviews were conducted to gather data from various key stakeholders and project beneficiaries and fellows using a predetermined set of questions in a person to person interaction through Skype, telephone interviews and in-person meetings in cases where informants were in Kenya.

2.4.3 Limitations to the Study

The evaluation consultant would have liked to have an interview with all the representative from 3 insurance companies and 2 distributors, however this did not take place despite efforts made to arrange a meeting either face to face or virtually.

3.0 Evaluation Findings

This chapter provides the evaluators assessment results using the key evaluation criteria, reflecting on the validity of the Project design expressed in its LFA and Theory of Change. The report shows the contributions made, and changes that reasonably be attributed to the project's actions.

3.1 Project management, Coherence and Validity

Theory of change

FSD Africa/ILO project interventions targeted the main needs and sought to create impact by increasing access to formal financial services for poor adults in Sub Saharan Africa. It envisioned creating inclusive financial markets across Sub Saharan Africa due to the replication of successful practices implemented by its interventions. The project envisaged that the change management would deliver a lasting impact and contributes to change in behavior of micro insurance institutions towards under-served client groups.

The project strategies supported the organizations to become the ambassadors of change demonstrating the impact and encouraging other institutions to adopt change management. The project adopted innovation and development of client-centric products and processes that were cost-effective and viable in the long-term and required the organizations to make substantial changes to their business models, standard operating procedures and internal structures.

The Change Management was envisioned to achieve impact by increasing availability and use of appropriate and accessible risk management options for the low-income segment. One of the outcomes was the successful innovations developed under the project to deliver value to at least one million low-income households in a viable way. The project intended the scaling of at least five innovation micro-insurance solutions that would be mainstreamed into the organizations' main business and serve to demonstrate cases to other industry players.

The project was well aligned with FSD Africa's theory of change on account of: 1) focus on change management for the redesigned or new products and its delivery by insurers or distributors, 2) innovations and use of technology to digitize operations of the insurers or distributors, and 3) focus on expanding reach to risk solutions for low-income segments of the population.

Change Management

The facility's change management involved the following key performance indicators: 1) Number of technical assistance provided by partners to Facility team and consultants; 2) Number of fellows hosted by partners; 3) Change management

reviews conducted; 4) Change management strategies developed and 5) Change management implementation completed.

The Facility provided technical assistance to each implementing partner through a team of 1) Project Mentor or Manager, 2) ILO Fellow hosted by partner, 3) the Facility’s senior management, and 4) external consultants. The implementing partners applied a range of business tools developed by the Facility including client value improvement tools, customer-centric metrics, and tools for business planning and process mapping.

The Fellow played a critical role in fast tracking innovations and change management for the implementing partners. The insurers and distributors in the programme appreciated the role of the Fellow in transferring new skills and tools to their staff and in implementing innovations. The change management process is described below.

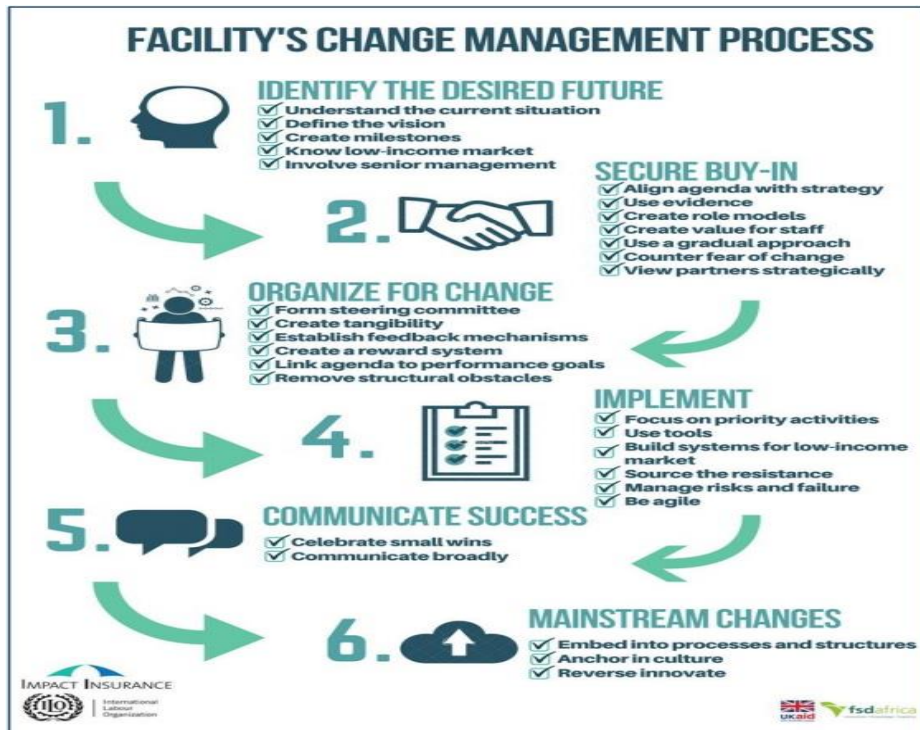


Figure 2 Facility’s change management process

Innovation Management

The Facility’s innovation management involved the following elements: Number of current innovation partners, solutions, marketing, product design and pricing, distribution and process mapping, costing, technology, partnerships, and pilot testing

and scale up and the number of the people enrolled to new solutions. The project assisted insurers and distributors to innovate and develop client centric products and processes that are cost effective and viable in the long term. The process and products adopted a market-led approach with the design of the innovations based on market research conduct with clients and staff.

The pilot testing of the innovations enabled the partners to review and improve on the innovations based on evidence from the findings and recommendations. The implementing partners conducted pilot tests of their different innovations and used the pilot test findings to improve the innovations and enhance value for the end users. The table 1 below shows the products developed by different institutions.

Table 2 Products developed

Country	Partner	Product
Ethiopia	Kifiya	Redesigned the livestock index product Launched a crop index products; Launch of health product
Ivory Coast	SUNU	PEG increasing enrolment by users Life insurance covers
Kenya	Equity Insurance Agency	Scale up of mobile insurance product Introduction of the e-Bima platform Riziki, M-banking product Riziki + family cover
	Britam	Scale up of mobile insurance product maturing of partnerships for credit life Launch hospitalization, the Riziki Cover Sema Pole product: Funeral Insurance Cover
Mozambique	NBC	New distribution channel, funeral insurance
Nigeria	AXA Mansard	Increased access to agricultural insurance Maturing of partnerships for credit life Malaria plan

Process of Partner and Fellow selection

The selection partners and fellows were majorly participatory and equitably done. FSD Africa and ILO were involved. A clear criterion to evaluate the proposals was agreed upon. At the commencement, FSD Africa and ILO Facility invited interested insurers and distributors to submit proposals. The call was made using various channels such as International Microinsurance Conference in Casablanca held on Nov 3-5, 2015, Facility's website, email blast to Facility mailing list which has over 10,000 subscribers, facility's social media channels (Facebook, Twitter, LinkedIn,

Africa-focused Linked In groups), facility's monthly Newsletter, FSDA's Network, primarily Country FSDs and FSDA's Newsletter.

The due diligence to select the partners was conducted to evaluate the partner's capability and interest in the project and to start detailing the project work plan and prepare the budget for grant funding. The Facility supported the selected partners to conduct strategic reviews and align their initial proposal with the strategic vision of the institution. However, the selection of NBC in Mozambique, was conducted by FSD Mozambique and recommended to be part of the project. The Facility was not part of the partner selection process in Mozambique.

The selection of the fellows was also a participatory process involving the FSD Africa and ILO Facility. The fellows were in their mid-career insurance or financial services professionals. Some had a development background. A strong motivation to serve the low-income market segment was mandatory and a big driver for their reason to participate in the fellowship programme. The partner's management was given a pool of shortlisted candidates by ILO to interview and select their preferred choice. The selection was also timely with fellow placements for Britam, Kifiya, SUNU and AXA being in line with the original implementation timeline. Only the fellow placement at Equity was delayed as the original fellow selected backed out and the project had to select a replacement fellow.

Fellow Handover and integration process

The selected fellows had a two-year employment contract with ILO and in effect based at the partner organization for that period of two years. The change management was expected to continue in the partners organizations even after the Fellow has left. Progress updates was provided on the roll out and scale-up plan with the partners.

However, the assumption that two years was adequate for the fellow, was over ambitious. Two years was a short period and some of the fellows started their fellowship late due to challenges of contracts and work permits.

Project monitoring and results management

The project reporting frequency was done on a quarterly and semi-annual basis which was adequate for tracking the project process, progress and timeline. The narrative reporting templates were shared by the FSD Africa for consistency. The dashboard was used by the project to monitor respective partner's outcome.

The dashboard clearly showed the products and process in different stages such as 1) products under development, 2) products designed and redesigned 3) Number of products tested, 3) Number of products scaled up, and 4) Number of new people

reached. The countries in which the products interventions are taking place was also indicated.

The monitoring tools including the dashboards did not clearly indicate the time in terms of months and year, making it challenging to clearly track the progress and achievements. In addition, the progress against set milestones was difficult to track due to failure to use the recommended Red-Amber-Green (RAG) rating⁸ to assess progress on delivery.

Gender Issues

The data from the partners was not clearly disaggregate into gender. This makes it difficult to track how many women or men were specifically reached by the projects and how differently they were affected by the project interventions in different countries.

3.2 Findings on relevance, effectiveness, efficiency, impact and sustainability by project component

In this section, findings by evaluation criterion are presented for each project component in the respective countries. These include: Equity Insurance Agency, Britam Insurance Company, Kifiya Financial Technologies, Nyala Insurance Company, AXA Mansard, SUNU and NBC Mozambique. Whereas it is not a standard way of presenting results, findings on the evaluation criteria are structured by country and project to enhance utility and implementation of learning from findings and recommendations

3.2.1 Kenya

According to Impact Insurance (2016)⁹, Insurance activities in Kenya are profitable and Kenya is one of Africa's better developed and regulated insurance markets. The sector has grown and become competitive in recent years and with some innovation in the micro insurance space. The other sectors remain largely under-developed with, 6.0% of the Kenyan population, covered by micro insurance, slightly above the African region's average. Kenya received a significant amount of micro insurance aid

8 RAG rating definitions: Red: Behind schedule to deliver on the aspect of assessment to agreed specification, or are not possible in this circumstance; Amber: Behind schedule to deliver on the aspect of assessment to agreed specification, but mitigating actions have been put in place to rectify the issue, Green: On schedule to deliver on the aspect of assessment to agreed specification, timeframes and budget.

⁹ <http://www.impactinsurance.org/country/kenya>

of 24% of the total grants committed worldwide. In particular some researchers found that health micro insurance has potential for the Kenyan market.

3.2.1.1 Equity Insurance Agency

Equity Insurance Agency was selected as part of ILO's project with AFD and then included as part of the FSD Africa portfolio. The due diligence exercise, which included a field visit, was conducted by FSD Africa and ILO to understand how the change management project is aligned to the overall objective of the institution.

Equity Insurance Agency (EIA) Limited is licensed to offer both life and non-life business. It is a fully fledged subsidiary (100% owned) of Equity Bank. It was incorporated in December 2006 and was licensed in May 2007 by the Insurance Regulatory Authority¹⁰. Through partnerships with reputable insurers, the agency offers a full range of insurance solutions using the bancassurance model. EIA sought to provide professional insurance advisory services and avail convenient and accessible insurance policies and claims services. Evaluating the EIA project on the aspects of relevance, effectiveness, efficiency, impact and sustainability gave the following findings:

Relevance of the project

The evaluation found that the Project was relevant. The project aimed to address challenges affecting micro-insurance uptake in Kenya. The project's key objectives included increasing the customer touch points for micro-insurance through the use of three new channels namely: 1) mobile phones, 2) Internet-enabled services either through website or smartphone apps, and 3) distribution through Equity Bank agents. The use of digital channels was seen as critical as the Kenya's preferences and needs were changing in favour of digital use. More customers were using convenient digital channels to transact and conduct banking business hence less physical visits to the banks. EIA leveraged technology and innovation to meet changing customer needs thus contributing to the overall vision of Equity Group.

The project deepened micro-insurance services by piloting a weather index-linked crop insurance product bundled with loans for around 250 farmers, in collaboration with IFPRI. Another project for area yield index-linked crop insurance product bundled with loans was implemented in 15 counties in collaboration with the Government (Kenya Agriculture Insurance Program) and APA as the insurer.

The company launched the NHIF products for chamas, groups and small and medium enterprises, and started piloting for agricultural insurance products.

¹⁰ <http://www.impactinsurance.org/practitioner-lessons/afd/equity-insurance-agency>

On global agenda, the Project's was relevant in making contributions to priority Sustainable development goals (SDGs), 2- Zero hunger, 3-good wealth and wellbeing, and 17-partnerships for the goals.

Effectiveness, capacity to deliver, and innovation

Project Design

The EIA project had a clear project scope focusing on overall digitization strategy of the institution. This resulted in clear milestones with EIA identifying early the change management needed on the project. The project focused on 3 key pillars: 1) enhancing customer experience, 2) optimizing operations through digitization, and 3) building an omni-channel distribution model.

Change management strategies

A new incentive structure plan was implemented for the entire sales staff working in the Equity Bank branches. This plan had been piloted in 2018 and was re-launched in 2019. Simultaneously, Key performance indicators for staffs was re-designed to make them quantifiable and transparent.

There was an overhaul of the core system, called Turnquest, to be able to support future digitization integrations. Some internal processes such as printing of the motor insurance certificate were decentralised and digitized to increase how effectively they worked.

The bank planned to expand operations to other four countries in East Africa. In 2019, it started the Bancassurance operations in Rwanda and this offered a mobile-based product that could be accessed through a smart phone application or USSD.

Innovations

The EIA leveraged on technology to offer micro-insurance products to the low-income segment in Kenya. Through a partnership with a digital provider called e-Bima, EIA offered all insurance products through an online portal accessible to both clients and agents. All the products allowed diverse channels and incorporated technology for delivery and claim channels. A customer can initiate a claim in 3 ways through the USSD menu, call centre or by visiting any Equity Bank Branches¹¹.

Customers could also pay premiums by pushing a payment through Equitel and MPESA pay bill available in all phones.

EIA designed a high-level architecture of the digital assessor. This is a mobile app that allows assessors to capture and update motor insurance assessments in real time.

¹¹ AFD ILO final report October 2019

EIA partnered with Inclusivity Solutions to explore how Malcolm, a mobile assessment app, could be used to reduce turnaround time and fraud in motor insurance assessments.

EIA integrated its health insurance system with Smart International, a biometric system that automatically captures patients' details at the hospital. This allowed for the hospitals to digitally send reimbursement details to EIA and eliminates the need for manual capturing of this data by EIA.

New products designed and scaled up

Equity insurance agency piloted a new freemium mobile insurance product known as Riziki, with 900,000 mobile customers in January 2018. By the end of the project in October 2019, 292,743 customers had been signed up for the loyalty cover and 3,746 paid policies have been bought. The mobile banking (m-banking) based product can be accessed or enrolled by the customer using smart phone application or USSD through a transactions and airtime usage in a month. The qualification criteria for the loyalty product (Riziki Cover) was m-banking transactions worth KES 1,000 (USD 10) or spending of KES 100 (USD 1) in airtime in a calendar month.

Another product, Riziki+, allowed the customer to cover their family (1 spouse and unlimited biological children under 18 years of age) with minimal exceptions of the following:

- Minimum and maximum entry age: 18 and 65 years respectively.
- Cover cease age: None (Subscriber or spouse), 19 years (children)
- Waiting period: 1 month (excludes accidental hospitalization)

The institution also piloted a weather index-linked crop insurance product bundled with loans. This was piloted and run with 250 farmers, in collaboration with IFPRI. Another project for area yield index-linked crop insurance product bundled with loans was run in 15 counties in collaboration with the Governments, Kenya Agriculture Insurance Program as well as APA an insurance company.

Distribution Partnership

NHIF: The strong and respected brand of Equity enabled EIA to forge robust partnerships with industry players. The wide reach of the brand in terms of number of customers, branches, and agents across the country was an advantage by partners.

The EIA entered into public-private partnership with the National Hospital Insurance Fund (NHIF) to provide health insurance products to groups, chamas, SACCOs and small and medium enterprises and Corporates across Kenya in July 2018. Through the

partnership, EIA was allowed to offer an enhanced version of NHIF Supa Cover. Since the launch of the product, 20 groups covering 852 people have been covered.

Britam: In collaboration, Britam and Equity conducted a customer research in 2019 to obtain existing customer's feedback and explore other potential opportunities. Equity interviewed 56 SMEs working with the bank to identify their risks and insurance needs. Based on the research, the designed Riziki 2.0 product was bundled to voice and data bundles offered by Equitel. This increased the number of paid policies sold in a day from approximately 6 people per day to 14 people per day.

Based also on the research findings, Equity and Britam started developing an enhanced Riziki product to cover other business-related risks in addition to hospitalization risk that could be offered to SMEs through Equitel. The company partnered with Equitel to offer the mobile-based micro health insurance product – (Riziki) to approximately 3 million existing Equitel customers. The Project leveraged on partnerships with Britam Insurance Company, APA and Government insurance Program.

Capacity building

EIA team and the Fellow participated in the community of practice sessions. They shared their innovations with other project partners including their digitization journey and gained from learnings of other partners. They participated in webinars where they presented on EIA–The Journey towards Digital Insurance in July 2018. The ILO Fellow participated in an exchange program where she was posted at NHIS Ghana. The learnings from Ghana were incorporated in their partnership with NHIF.

Efficiency

The EIA was allocated USD 50,000 by FSD Africa over a two-year period. The allocation was used on consumer education especially to the groups, chamas and micro entrepreneurs for the NHIF-EIA partnership project and the E-bima project. Also the team used the money for the training of agents and clients as a significant expenditure for the company.

Relationship with ILO Fellow

The staff and management of EIA had a good working relationship with the ILO Fellow. EIA provided the Fellow ample room to innovate and drive the implementation of operational changes. The Fellow was dynamic, flexible, and skilled in diverse areas of micro-insurance. The project team benefitted from clear communication and consensus between EIA's management, staff and the ILO team. The ILO Fellow worked closely with the senior management and staffs. The ILO

Fellow provided project management support to the development of agricultural insurance products. She participated in the pilot study of the risk based agricultural product which was being offered in partnership with APA insurance. She delivered a training (Training of trainers) on the index-based livestock insurance to staff who were tasked with sales and customer education.

Cost savings

The EIA reduced the back-office staffs, reallocating more staffs to revenue generating functions. This was due to decentralization of printing certificates to the branches. Once the printing of certificates has been rolled out to all the branches, postage and courier costs incurred in transporting certificates across the country reduced significantly.

Impact Orientation and Sustainability

Impact Orientation

The Equity Insurance Agency achieved a large scale of benefits and beneficial effects impact. The design of new micro-insurance loyalty products called the Riziki, targeted 300,000 customers and Riziki + for paid subscribers, targeted 30,000 people. By the end of the project, 292,743 customers had been signed up for the loyalty cover and 3,746 had enrolled in the paid policies. The Riziki product also increased customer loyalty in Equitel, this was a value-added to Equitel customers. The Riziki product also provided a convenient and frictionless customer experience to the customers.

The decentralization of printing of motor vehicle insurance certificates to the branches reduced the turn-around time from an average of 1-4 days to approximately 10 minutes. This enhanced the customer experience.

Sustainability and ability to catalyze market development

Sustainability of EIA products will be maintained because the Facility provided technical assistance to EIA in a participatory process, transferring skills and tools to the team. The projects theory of change is aligned to the activities and strategies including overall digitization strategy and innovative activities and incorporated the changes into normal business operations.

The EIA's management team was committed to the achievement of project milestones and drove the change management process. The innovation culture of Equity Group and EIA, contributed to the implementation of innovative products and processes. The management and staffs took advantage of the new and emerging opportunities in the insurance market in Kenya and beyond to see the continuation of the products.

The EIA team valued the working relationship with the Facility especially with the ILO Fellow. The fellow was innovative and versatile and was instrumental in mapping out processes, in project management, and working with the different internal and external teams as well as partners to ensure a proper implementation of the key initiatives.

Formation of strong partnerships with subsidiaries

EIA as a subsidiary of the Equity Group had clear support from the Group's CEO and executive. As part of the group, EIA partnered with other subsidiaries to leverage on the existing ecosystem including the IT infrastructure to achieve the project objectives. Existing relationships with Equity Bank, Equitel and Finserve was instrumental in realizing innovation and structural changes in the business models.

The project environment

Impact of regulation

The good insurance regulations in Kenya, positively impacted the project. EIA has received regulatory approval to use Equity Bank's agents to sell insurance products. The strategy of selling insurance through bank's agents was envisioned to deepen the reach of insurance to the low-income segments however, regulations do not allow insurance agencies to appoint sub-agents to sell insurance. Therefore Equity Bank agents could only be appointed to sell insurance by insurance companies, limiting the partnerships that EIA had forged with the Equity Group's agents.

The training offered by the College of Insurance did not meet the contextual need of agents, and the law required all agents to have received insurance training. The burden was therefore transferred to the implementing organizations to ensure their agent are trained.

Currently in Kenya, regulations only allow for a hard copy insurance certificates to be issued for motor vehicle insurance and displayed on the vehicles. However the EIA innovation, was developed to offer digital motor insurance certificates to customers. EIA quickly found a solution to that and decentralized the printing of physical insurance certificates to branches.

3.2.1.2 Britam

Britam is a diversified financial services group listed on the Nairobi Securities Exchange. The group offers a wide range of financial products and services in insurance, asset management, property, and banking in the African Great Lakes region. Britam's headquarters are in Nairobi, Kenya, with subsidiaries in Kenya,

Uganda, South Sudan, Rwanda, Tanzania, Malawi, and Mozambique¹². The product range includes life, health and general insurance, pensions, unit trusts, investment planning, wealth management, off-shore investments, retirement planning, discretionary portfolio management, and property solutions.

Relevance of the project

The Britam's micro-insurance strategy was well aligned to the FSD Africa objective of cumulatively reaching one million MSMEs and poor individuals in selected Sub Saharan African countries with affordable and ideal insurance products by January 2020. Britam's strategy referred to as "Micro-insurance 2.0" proposed to leverage on technology with the vision to create a sustainable, specialized and innovative business venture for Britam, reaching two to three million clients over the three years.

In 2016, it was shown that micro-insurance penetration in Kenya stood at 8.4%¹³, highlighting a clear opportunity for Britam's micro-insurance as well as other insurance players. Although Britam had a market share of 42% and customer base of over 450,000¹⁴, participation in the FSD Africa project would help in growing its micro-insurance portfolio and tap into the existing market.

To deliver the project objectives, Britam leveraged upon its existing micro-insurance structure and model. The micro-insurance unit was created to provide services to the low-income segments but faced significant challenges in sustaining a profitable micro-insurance portfolio such as poor product design, high administration costs, overreliance on a few partnerships, and inefficient processes.

The Britam's new strategy which focused on agility and change to incorporate digitization to drive the micro-insurance business was aligned with the FSD Africa's change management agenda. It had a long-term commitment towards creation of sustainable micro-insurance business and the management team have invested significantly in terms of resources and staff capacity.

The interventions were responding to the market needs. A health insurance is the greatest need in the market among clients in Kenya. Given that the micro-insurance target clients also seek convenience, accessibility, and affordability, Britam's approach to digitize its micro-insurance products and utilize strategic partnerships, enhanced micro-insurance uptake in the market.

¹² Impact Insurance (2019). Retrieved from <http://www.impactinsurance.org/practitioner-lessons/fsda/britam>

¹³ Insurance Regulatory Authority (2017). Insurance Industry Annual Report, 2016

¹⁴ Britam Case Study, 2018

The selection of Britam as a project partner was relevant to FSD Africa since it was the market leader in micro-insurance in Kenya with ten years of experience in the sector, and had developed a strategy in innovation and focused on development of technology to digitize micro-insurance.

Alignment of project strategy to Britam's strategy

The Britam project was aligned to the organization's core strategy on digitization, customer centricity and process optimization. The organization invested financial resources towards the project activities and acquisition of a technology platform to automate the unit's front-end and back-end operations.

Effectiveness, capacity to deliver, and innovation

According to the AFD- FSD Africa partners dashboard¹⁵ Britam largely achieved the objectives and activities prescribed at the start of the project. Britam adopted an innovative approach during the project implementation as described below:

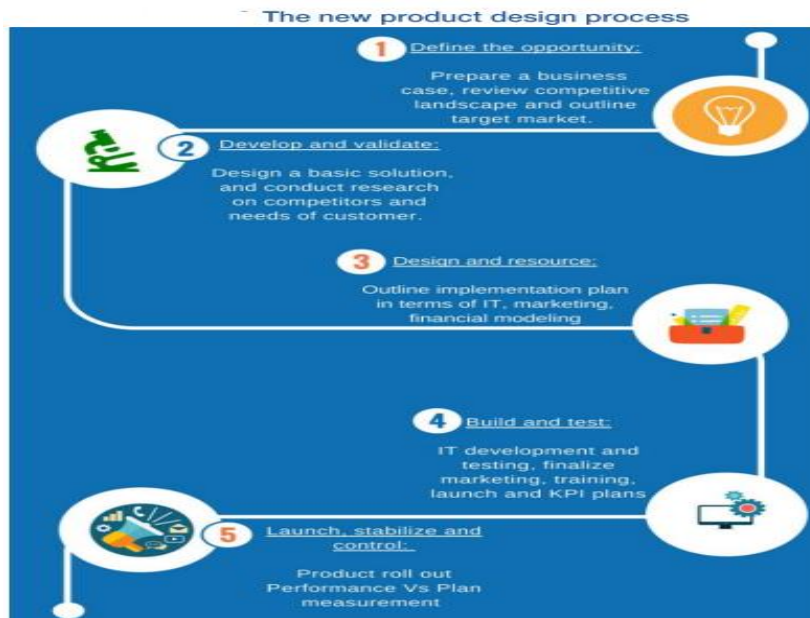
Change Management

Institutionalizing customer market research

Prior to the project, Britam relied upon their research team and feedback from the support functions. In 2017, the project, undertook two exercises to institutionalize customer research into its product design and process. The team created change through introduction of client-centered feedback and client segmentation-based research. This yielded a better understanding of the low-income segments by the micro-insurance teams and clear focus of the target market. The research had a replication effect across the institution. The research department of Britam adopted the new research approaches to inform the product development strategy for the other products or services including the business units such as General Life and Assets departments. They adopted the new five-phase process of client centered and segmentation research approach.

15 AFD_FSDA partners dashboard cumulative

Figure 3 Product design process



Integration of ILO Fellow

The integration of the ILO Fellow into the micro-insurance team was successful. The Fellow worked in collaboration with the team and provided specialized skills where gaps existed and supported capacity building of the staffs.

The ILO Facility and ILO Fellow provided technical support to Britam team in the following areas:

- Technical assistance to design the change management framework and support the change management workshop with Britam
- Consulting services and assisted in the development of the IT portal.
- The fellow also helped with market research, designing of new products and assisted with piloting of the products.
- The fellow was also the main contact at Britam building the relationship with Equity/Equitel to build Riziki.

The organization also benefited from new approaches and skills in operations of the business.

Organizational changes

In 2018, Britam conducted a restructuring exercise across the entire organization with a view to achieve cost efficiency. This affected the micro-insurance unit and led to the departure of some key members of the team who included heads of the business, sales, operations and finance. These staff members were part of the implementation of

the core project and had contributed to the profitability of the unit as a whole. In this context, the micro-insurance project was adversely impacted due to loss of key resource staff in the short term. To mitigate against negative impacts, the organization redeployed new staff to support the unit. The staffs continued to be strengthened through capacity building to ensure continuity.

Designed a new product

In 2017, Britam partnered with Equitel (a mobile payment and banking platform launched by Kenya's Equity Bank Group), to launch a simple hospitalization cover, the Riziki Cover. Britam also entered into a risk sharing agreement with the Reinsurance Group of America (RGA)¹⁶. The product paid a daily benefit in case of hospital admissions for three or more days. Apart from the direct beneficiaries of the product, family members of the Riziki customers also benefited from the product.

Sema Pole product: This is a Funeral Insurance Cover, a new product developed and approved by the regulator. The product is a group-based funeral insurance cover and targeted registered groups such as cooperatives, self-help groups, farmer associations and employers to cover the cost of funeral expenses. Britam adopted the introductory sales drive with higher incentives for sales channels. However based on a SMS survey conducted in 2018, it was found that product awareness was low, especially among members under the group insurance product. Therefore, SMS communication was introduced that shared brief product information via SMS to customers' registered mobile numbers. By the end of the projects, a total of 6020 people were insured under different groups.

Credit Health Cover: The product designed targeted customer segments who had prominent borrowing behaviour and had health as a major risk. Britam intended to deploy it through microfinance institutions, SACCOs and other lending institutions. The product included a life component and hospitalization benefit during admission into hospital. The cover paid a portion of the loan in the event a customer was admitted thus easing the burden of loss of income during the period of hospitalization.

Innovation

Use of technology: Britam utilized technology particularly in enrolling the Riziki Cover clients using a USSD platform. The product does not need the client to submit any physical documents. At the time of claims, customers can submit documents simply via WhatsApp or email. Britam also applied various marketing methods including radio adverts and outbound calls by a contact centre. In ten months, the

16 Sharma, S. & Dalal, A. (2019). Making a profitable inclusive insurance business: a case study of Britam, Kenya. International Labour Organization:

product enrolled 172,485 subscribers, but the data was not disaggregated by different gender.

Britam developed a web portal to link its distribution partner and hospital networks to the organization's system to ease client enrolment, data management and claim settlement. The partner portal rolled out to two partner hospitals which led the claim process from these hospitals go paperless. This reduced hospital claims processing time from 30 to 35 days, down to less than ten days. The portal, enabled the partners to do the following:

- Online registration of new customer
- Details and verification of identity of existing members by hospitals and partners
- Online data capture of claims by hospitals creating a paperless claim management system
- Reduction of waiting time for hospitals for claims settlement by Britam

Digital innovation: A partner portal co-funded by Britam and FSDA was developed and after a successfully 4 month pilot, was rolled out to 18 centres of different hospitals in Nairobi, Kenya. This led to improvement in claim processing time and customer experience at the time of hospital visits.

Process innovation: Britam changed the product development process to become more customer-centric rather than process-oriented as in the past.

Partnership

Britam and Equity conducted a customer research in 2019 to obtain existing customer's feedback and explore more potential opportunities. Existing customer's feedback mainly focused on the need for creating more awareness about the product to increase uptake.

In partnership with Equity, Britam worked to develop an enhanced Riziki product that could be offered to SMEs through Equitel. The product was designed based on the findings from the conducted research and covered other business-related risks in addition to hospitalization risk.

Apart from the direct beneficiaries of the product, family members of the Riziki customers benefited from the product and family members of the insured person also benefited.

Capacity Building

Britam participated in the community of practice workshop and shared the innovations around processes and products with other project partners. The participation of Britam included sharing of lessons between all partners and Britam's operations team members (Operations Lead and Claims Head). Britam Fellow visited Ethiopia to share lessons and learn from Nyala Fellow. This was followed by the Nyala Fellow visiting Britam.

The Fellow participated in the following publications below:

- Blog publication: Segmenting an inclusive insurance client base in Kenya
- Webinar participation: Putting client insights into practice
- A case study on the of Britam's micro-insurance journey.

Efficiency

Britam drew a grant from FSDA worth USD 50,000. This was allocated over a two-year period. The organization utilized \$10,000 for marketing of Riziki Cover product and \$40,000 for the Micro insurance partner portal. In addition, Britam contributed its own resources of \$ 29,000 for the market segmentation and \$ 45,000 for the aforementioned micro insurance partner portal development along with the FSDA fund. The organization also invested financial resources towards the project activities and acquisition of a technology platform to automate the unit's front-end and back-end operations.

Product performance and outreach: According to the midterm draft report¹⁷, as at July, 2018, Britam through its Riziki product in partnership with Equity Bank had reached 120,140 registrations and 761 as paid policies. By September 2019, Riziki product had 292,743 clients enrolled for free insurance and 3746 bought paid policies. The report summarized the Riziki product value for money as shown below:

Table 3 Summary of Riziki Cover performance

Attributes		In KES.	In USD
Gross Written Premium (GWP)	A	356,650	3,566.50
Equity Insurance Agency commission	B	35,665	356.65
Partner fees (Inclusivity Solutions and Finserve)	C	71,330	713.30
Reinsurance premium and fees	D	187,241	1,872.41
Net premium (Britam)	E=A-(B+C+D)	62,414	624.14

¹⁷ FSDA-ILO Impact Investment Facility, Mid Term Review, Draft Report

Total upsell claims paid	F	112,500	1,125.00
Britam share of upsell claims	G	11,250	112.50
Underwriting Profit (Britam) before TAX	H= E-G	51,164	511.64
Composite Loss Ratio	I = F/A	32%	

Impact Orientation and Sustainability

Impact and potential to achieve scale

The project had an impact on the customers as evidenced by the customer research.

Increased insurance awareness: The clients interviewed during the research process indicated that they had increased interest in the insurance due to the freemium product. It was reported that some customers made further inquiries about insurance after further exposure to the product and its benefits. The report also indicates that clients expressed satisfaction with the ability to conduct digital transactions, digital payments and claims without physically visiting the branches. The midterm report showed that based on the Net Promoter Score¹⁸ findings in the research, majority of the customers were willing to recommend Riziki cover to their friends and family members. More specifically the individuals who had received payments from their claims were more likely to recommend the product because they had benefited from it.

Sustainability and ability to catalyze market development

For continuity of the interventions the fellow stayed on after his fellowship period and eventually became the General Manager of micro insurance a position he still holds. Britam supported the market development by being pioneers in the innovation and development of health insurance products. The Riziki product is a solution that will continue to enhance access to insurance in Kenya, particularly if scaled up. Sustainability of project beyond the 2020 is anticipated given the requisite support and commitment given in terms of resources and capacity. Britam also proved its capacity to raise funds and its ability to survive even without funding. In addition, Britam continuously creates and reviews the micro-insurance structure and models to ensure continuity of products into the future.

Presence of a dedicated micro-insurance unit: Britam has a long history of setting up dedicated units. Since 2009, it set up units with the core mandate to grow the micro-insurance portfolio. Britam continuously built it into a profitable and sustainable business. The organization built a long-term perspective and readiness to invest

¹⁸ Net Promoter Score is a management tool that can be used to gauge the loyalty of a firm's customer relationships.

resources in the micro-insurance business line. The existence of a dedicated micro-insurance unit enables Britam to leverage upon the existing structures and in-house dedicated staff with micro-insurance expertise to achieve key outcomes in the project.

The sustainability could be achieved also because the digital distribution of products such as Riziki covered through Equitel continues to receive more subscribers from both the registered loyalty subscribers and paid subscribers. For sustainability, Britam started the initiative the conversion of the loyalty subscribers to paid subscribers.

Micro-insurance partnership initiatives: Britam is engaging new partners including small technology start-up companies to design and roll out other micro-insurance initiatives. Some of the initiatives that could enhance sustainability include:

- Design of health insurance cover for M-Shwari customers where the discussions are ongoing with Commercial Bank of Africa, RGA and Inclusivity.
- Design of micro-insurance product called biashara cover against fire and other perils such as water and riot damages for small businesses especially traders in collaboration with Simple Alliance, a technology firm that designs digital applications and Kenya commercial bank too.
- Development of personal accident micro-insurance for the transport sector with Voltic Africa, a technology firm that provides solutions in transport.
- Student personal accident: A new product in student developed based on client requests. This product aligns with Britam's goals of diversifying its product portfolio. The first customers were 479 girls students insured for the products

Project environment

Impact of regulation

Regulations in Kenya have acted as a catalyst to enhance the development of micro-insurance sector in the country. The regulator, the Insurance Regulatory Authority, created an open forum for insurance providers to innovate. Additionally, the regulator created the necessary legislations to support these innovations in the market. Britam has actively lobbied to the regulator to enhance the development of progressive regulation for the insurance sector.

3.2.2 Ethiopia

3.2.2.1 Kifiya

Kifiya Plc. is a digital service provider leveraging innovative technology to enable and provide electronic, branch-less banking, and mobile money services in Ethiopia. Established in February 2010, Kifiya Plc. is dedicated to making financial and non-financial services simple, affordable, and within reach in Ethiopia and beyond. Kifiya envisions contributing to improving lives of people by making transactions simple, affordable, and within reach. It envisages creating an integrated, scalable service that enables access to financial and non-financial services by building sustainable technology and distribution infrastructure. Some of the services offered by Kifiya Plc. Include:

Lehulu: A customized e-service framework developed by CMC, a Tata Group Company to develop a single window delivery platform that facilitates Government-to-Citizen (G2C) and Business-to-Consumer (B2C) services.

Yenu Guzo: An innovative electronic ticketing and fare payment system that empowers transport operators to streamline their services and increase their profits by enabling customers to book their trips in advance and purchase tickets at over 500 Kifiya agent points.

Mela: An innovative platform which allows customers to make payments for a range of services including utility bill payments.

Relevance of the project

The Kifiya Plc. project was well targeted and relevant. It addressed farmers' risk management needs through the provision of agricultural insurance. Agriculture involves around 80 per cent of the population in Ethiopia and accounts for 45 per cent of the country's economic output. Yet, the country's agricultural sector is precarious and already feeling the effects of climate change¹⁹. Small holder farmers benefitted from Kifiya's refined crop index insurance. This product enabled the project to meet the needs of clients by increasing awareness on how farmers can use formal mechanisms to mitigate risks related to crop failure other selling their livestock and relying on government assistance as previously practiced. Farmers who were affected by drought in their last crop season received full or partial pay outs which they had never received before.

¹⁹ Dalal, A., Merry, A. & Sing'oei, E. (2019). Case brief: Kifiya financial technology. International Labour Organization. Retrieved from http://www.impactinsurance.org/sites/default/files/CB14_0.pdf

Global Agenda: On the global agenda, the Project's was relevant in making contributions to the priority Sustainable development goals (SDGs), 1- No poverty, 2- Zero hunger, 3-good health and wellbeing, and 17-partnerships for the goals.

Country goals: Kifiya's successfully contributed to fast tracking the implementation of the vision to deepen micro-insurance in Ethiopia. The project was in line with the overall strategy of the company and helped in refining the existing crop index insurance and designing additional agricultural and non-agricultural insurance products to serve the low-income segment in Ethiopia. The insurance companies viewed the partnership with Kifiya as one that could allow them access a unique target group of farmers. In the same way, the cooperation saw the project as a cushion for the farmers against drought. In future, farmers would also benefit from commissions earned by the cooperatives.

The project also contributed to one of the key pillars of government which is to improve the livelihoods of farmers in Ethiopia. Through various projects and initiatives, the government had identified the crucial role that micro-insurance played in increasing uptake of appropriate seed and fertilizer by farmers. Agricultural insurance was seen to provide a cushion to the farmer's investment in these seeds and fertilizers in the event of drought and other natural disasters.

Effectiveness

In achieving the set project milestones, Kifiya Plc. project had the capacity to deliver as per the results management framework.

New products Designed

Kifiya Plc. launched a new crop index product and redesigned the livestock index product during the project period. Technical changes were made to the crop index insurance product, which was relaunched as a hybrid NDVI and area yield index product. A major change in the hybrid crop index insurance product, launched was the introduction of a premium subsidy, which had been a long-standing aim of Kifiya.

Kifiya diversified its insurance product portfolio through the design of livestock insurance, index livestock insurance product (IBLI), health and bereavement products. The index-based livestock insurance introduced the use of technology in distribution. The project designed a mobile platform for registering and enrolling pastoralists. This product was an asset protection product that calculated pay-outs on the basis of the availability of vegetation in a certain area and it is not based on the death of the animals. The pay-outs were paid prior to the death of the animal so that the pastoralists can be able to acquire new feeds, water and the necessary drugs necessary for the survival of the animals.

The indemnity-based livestock insurance product prototype was also developed and the market research conducted which included a business case analysis and discussions with one dairy cooperative to understand the risks faced and the current risk mitigating measures they employ.

The health – Hospital Cash was designed as the first hospital cash product (Leteneya) which provided benefits in the following categories, consultation fee, basic lab tests, basic medicines, hospitalization covering the loss of income if the client is hospitalized for more than 3 days. It also included ambulance services among others.

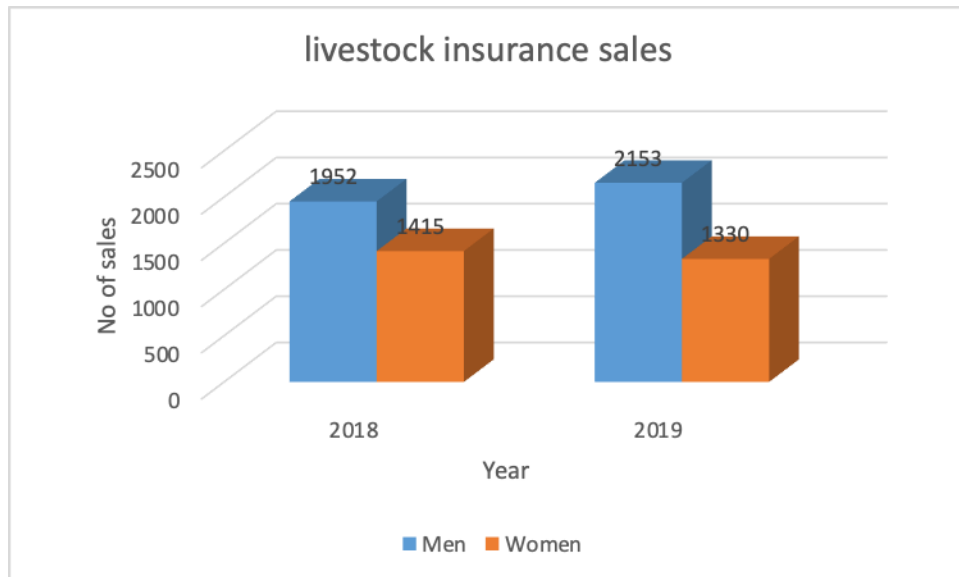
The bereavement product was designed to increase the value derived from Iddirs in Ethiopia. Through market research, Kifiya noted that the benefit derived from the Iddirs was minimal compared to members contribution. The product complemented the existing structures of Iddirs by using technology for member registration and updating of members' contribution. The product also aimed to introduce an actuarial model so that the members can benefit depending on the contributions they have made over time. The second phase was to include the design of a digital Iddir for youth below the age of 35 years. Market research findings indicated that the youth were not active participants in the traditional Iddirs.

The regulation allowed the MFIs to sell and underwrite risks and as such Kifiya planned to underwrite the risk for its non-agricultural products (health and bereavement) which in effect made Kifiya an insurer. Kifiya also leveraged on the MFI branches as a distribution channel.

Distribution

In addition to launching and redesigning the products, Kifiya also made changes to its distribution strategy and focused on two channels, the ATA clusters at district level and the smallholder seed producer cooperatives. The livestock insurance sales continued to go up, with 3,483 sales made in 2019 (1,330 to women and 2,153 to men), compared to 3,367 in 2018 (1,415 to women and 1,952 to men), and 2,900 in 2017. The below figure shows the 2018 and 2019 data, disaggregated in gender.

Figure 4 Livestock insurance sales



In order to facilitate enrolment, Kifiya linked its client enrolment app for the product with its mobile money payment system.

Partnership

Previously, the division of responsibilities between the partners was unclear and managing various distribution channels was difficult. Furthermore, although the institutions responsible for distribution received commissions, none of that commission was shared with their front-line staff. This meant that sales agents had little motivation to sell the product to potential clients.

Kifiya knew that it would need to improve partnership coordination and focus distribution efforts in order to achieve greater success and make better use of all partners' resources. It therefore redesigned the distribution model in 2018 based on lessons learnt the previous year. The team reduced the area in which it made sales to two and worked with fewer agents and village insurance promoters (VIPs), allowing the scheme to better support and train those involved.

Kifiya Plc. initiated changes within the institution and formed partnerships with insurers and cooperatives to distribute its agricultural insurance products. Kifiya was also already working with the association of agrodealers to distribute its products and introduced the hybrid crop insurance into this partnership. Agrodealers are individuals, many of them young graduates, who distribute agricultural supplies, like fertilizers and pesticide.

The public-private partnership (PPP) model of the crop index insurance product enabled Kifiya to reach out to a relatively large number of farmers during the pilot phase. The PPP consortium also attracted interest from other insurers such as Nyala

Insurance Company who aimed at offering the product. The government played a key role in driving the agenda of micro-insurance for agriculture in Ethiopia as it sought to leverage on micro-insurance to increase the success of its existing agricultural programmes.

Change Management

The Kifiya project scope was well aligned to the strategy and objectives of Kifiya Plc. They were committed to achieving the project objectives. There was also a dedicated micro-insurance department where the head of micro-insurance lead a small team of four staffs. This ensured adequate focus was given to project implementation.

Working relationship with ILO and ILO Fellow: The Kifiya Plc. team greatly appreciated the technical expertise given by the Fellow. They learned a lot from the fellow for example the conducting of client research and the product development. The fellow was dynamic and worked on different product lines both for agricultural and non-agricultural insurance products.

Culture of innovation: As a FinTech, Kifiya has been leading the way in using technology to bring innovation in the financial services sector. Similarly, the culture of innovation contributed to developing new products and foraying into new markets or segments for instance provision of health and bereavement insurance. At the start of the project, Kifiya was implementing the pilot of a crop index insurance product which was the first of its kind in Ethiopia. They then redesigned the product to a multiperil crop insurance product.

Use of technology: As a FinTech, Kifiya is able to leverage technology in innovative ways in the development of the micro-insurance products. Their expertise and internal capacities in technology have allowed Kifiya to manage distribution of the various products developed and rolled out using multiple and diverse partners like insurers and cooperatives.

The crop index insurance product was the first vegetative-based insurance product in Ethiopia to use satellite data and geo mapping technology. The underwriting and claims process of the product were unique in the following way:

- It was the first crop insurance product in Ethiopia that calculated claims every 10 days and per 1 km square grid using greenness level data. The product was tailored to the development stages of the crop (maturity, flowering, and vegetative stages amongst others) as each stage has its own impact on crop yield.
- The farmers received full or partial payments depending on the claims' calculations.

- The enrolment process was done on a mobile device which was able to provide a printed receipt that also acted as the insurance certificate that indicated the sum insured, the premium amongst other relevant customer information. In addition, customer information was automatically updated in the Kifiya database when the agent is in the field.
- The product was developed and rolled out through a public private partnership.
- In the long term, Kifiya envisions that through Kifiya microfinance, farmers would be able to open mobile wallet accounts where the claims would be transferred automatically when a pay-out is triggered.

Capacity Building

The ILO Fellow was part of the Kifiya team that conducted a 2-day training for the agents in four different regions in Ethiopia. The project also assisted in finalising the design for the back-end process of the crop index insurance including designing the dashboards and preparing business requirement documents for the IT team to implement.

The team at Kifiya Plc. and the ILO Fellow participated in community of practice where they shared their innovations with other project partners including the refinement or development of their agricultural insurance products. Other project partners for instance NBC noted that this was their first time to learn about agricultural insurance. Kifiya also learned and applied two key lessons from the community of practice; 1) the importance of conducting client centric research and 2) for sustainability, agricultural insurance needs to cover multiple perils. In addition, the ILO Fellow also participated in an exchange programme where he contributed to the automation of the claims process for CNAAS rice insurance produce in Senegal.

The Kifiya project wrote blogs to disseminate its learnings. The following is part of the dissemination activities “Why financial services matter in the fight against climate change”

Efficiency

Kifiya Plc. was allocated USD 50,000 for the two years of the project. Kifiya Plc. drew USD 30,000 and used it for operational expenses in relation to product development, training of agents, developing of marketing materials and allocating staff to provide technical support in the use of the mobile devices that are used in enrolling farmers to the crop and livestock insurance products.

Impact Orientation and Sustainability

Impact and potential to achieve scale

The Kifiya Plc. project strategic and operational changes initiated, had the following large scale impact:

- New role of insurance underwriting and sales: Through the newly acquired MFI, Kifiya Plc. developed roles in underwriting life and health insurance products and also sale of insurance directly to clients.
- Outreach to farmers: The crop index insurance and the livestock insurance products targeted 11000 farmers in 2018. The target was set based on previous performance where the company managed to reach approximately 7,000 farmers in the two years of the project. In addition, farmers who experienced drought benefitted from partial and full pay-outs that had been disbursed to them for the period 2016 to 2017.

Sustainability and ability to catalyze market development

The Kifiya Plc. project could continue beyond the project funding period. The project was aligned to the long term and short-term objectives of Kifiya. The acquiring of an MFI was evident that Kifiya intended to continue providing micro-insurance, both agricultural and non-agricultural insurance. Kifiya Plc. acquired a microfinance institution that would allow them to meet their long-term micro-insurance objectives. This would ensure sustainability and continuity of the project pilot and scale up of new products even after the project winds up.

The technical assistance provided by ILO team was conducting in close collaboration with the micro-insurance team in Kifiya. Some of the skills transferred included conducting client centric market research and developing non-agricultural insurance products such as the health's hospital cash and bereavement.

Kifiya has an organizational structure that supported the roll out of the non-agricultural insurance products with dedicated personnel working on this category of insurance. There is also a dedicated micro-insurance team with the head of micro-insurance being dedicated to ensuring micro-insurance products are rolled out and meet the needs of clients.

The multi-peril crop index insurance has the potential to scale up. Kifiya aimed at continuing to refine the product based on client feedback and strengthens partnerships with additional private insurance companies who had better capabilities in terms of reaching farmers as opposed to government owned insurance companies.

Kifiya's has some influence in changing the micro-insurance landscape in Ethiopia. It played a critical role as the chair of the consortium in the public private partnership and spearheaded the design and operationalization of the crop index insurance. Kifiya also participated in the World Bank working group on micro-insurance that

deliberates on policies and regulatory changes that would motivate deeper access of micro-insurance.

Project environment

There are currently no specific micro-insurance regulations in Ethiopia as the regulations earlier drafted in 2016 were withdrawn. However, Kifiya did not view this as an impediment to implementing the project. The regulation does not allow for a FinTech to conduct insurance underwriting or sell insurance directly to clients. As such Kifiya Plc. had to partner with insurance companies and sales agents such as cooperatives to sell their products. This limitation also influenced Kifiya's decision to acquire a microfinance institution since they are allowed to underwrite risk for life and health insurance and also to sell insurance products directly to clients.

Similarly, for the crop index insurance product, the consortium had earlier attempted to seek for government subsidy to allow the premiums to be more affordable but this was not granted.

3.2.3 Nigeria

3.2.3.1 AXA Mansard

AXA Mansard is a member of the AXA Group, a worldwide leader in insurance and asset management in 59 countries. The group is a conglomerate businesses, operated according to the laws and regulations of many different countries.

AXA Mansard was incorporated in 1989 as a private limited liability company and is registered as a composite company with the National Insurance Commission of Nigeria (NAICOM). The Company offers life and non-life insurance products and services to individuals and institutions across Nigeria. Through its three subsidiaries: AXA Mansard Health Limited, AXA Mansard Investments Limited and AXA Mansard Pensions limited, the organization offers asset or investment management services, medical insurance solutions and pension fund administration. The company was listed on the Nigeria Stock Exchange in November 2009²⁰.

Relevance of the project in meeting needs

The project was relevant to the needs of the AXA Mansard since it aligned to the organization's strategy to expand micro-insurance outreach in Nigeria. The insurance penetration in Nigeria was low at below 1%, hence presenting a huge opportunity to

²⁰ Impact Insurance, (2016). Retrieved from <http://www.impactinsurance.org/practitioner-lessons/fsda/axa-mansard>

intervene in the sector. AXA Mansard adopted Financial Inclusion as a strategic focus in line with the AXA Group's Strategic 2020 Growth Pillars. The organization is also the fourth largest insurance company in Nigeria with a focus on individuals and small and medium enterprises. In terms of capability, the organization also has a strong governance structure and experience in the micro-insurance sector. The group envisioned to enhance access to financial services to emerging customers, which are categorized as middle and low-income customer segments. This strategy was well aligned to the FSDA ILO project to enhance access to insurance to MSMEs.

The organization took strategic initiatives towards the achievement of financial inclusion in the Nigerian context. These included:

- Setting-up a Digital Transformation strategy to establish the company as the go-to insurance partner in the digital space in Nigeria
- Introduction of parametric insurance for the agricultural sector in Nigeria
- Inclusion of women through the She-for-Shield Initiative, a multifaceted project, which focuses on women's roles as customers, sales persons and entrepreneurs.

On change management, AXA Mansard's noted the need to change its business model to engage the micro-insurance sector effectively. This necessitated the creation of an Emerging Customers (EC) unit to serve as an independent unit with the mandate of developing a micro-insurance portfolio with reasonable scale after 2-3 years. This aligned with the FSDA project objective of enhancing access to insurance through change management.

The evaluation found that the Project was relevant to contributing to global agenda, the particularly the Sustainable development goals (SDGs), 2- Zero hunger, 3-good health and wellbeing, and 17-partnerships for the goals.

Effectiveness, capacity to deliver, and innovation

The AXA Mansard project was on track towards achieving the key performance indicators.

Product innovation: The Malaria Plan was the flagship product for the project since Malaria is a common ailment in Nigeria with many problems associated with it such as self-diagnosis and self-medication. The product was designed to encourage customers to get tested at approved health providers and receive prescribed medication. The product was piloted using staffs of Nestlé with around 700 policies being "sold". This was a good test and feedback to show the demand and usage for the Malaria product.

The project used gamification marketing techniques to encourage high customer enrolment and generate volumes. Example was the use of reward-based incentives such as access to free mosquito nets to drive behavioral change.

With the support of the EC central team, several engagements with regulators were conducted in form of roundtables and regular engagement with CBN and NAICOM to obtain waivers to pilot schemes for financial inclusion. The team obtained a waiver from CBN to run a bundle savings pilot with ACCION.

Process innovation: The micro-insurance simplified customer registration processes and reduced the number of KYC documents for the Malaria Plan product. Additionally, customers could enroll for insurance policies through digitized self-registration with opt in or out options. To support the claims settlement processes, the micro-insurance team reduced the number of documents for claim submission and provided contact centres to aid customers in claim processing customer queries, collection of policy and KYC documents and claims settlement among others. The customer care centres served as customer service points and were known as welcome centres.

Product distribution

AXA Mansard leveraged upon its partnerships to distribute its products through various channels including: licensed agents and points-of-sale, electronic and mobile platforms and branches. The distribution channels for the various products are provided in the table below:

Table 4 AXA Mansard distribution channels

Delivery channel	Product	Partner
Mobile Wallet, SMS, USSD	Y'ello Life	MTN
Website	Y'ello Life Digital Health Attacker	MTN
Agents	Malaria Plan	GT Bank and Hackman Microfinance
Branch networks	Enhanced Credit Life Malaria Plan	Microfinance banks and institutions Commercial Banks (GT Bank) Association of Pharmacists Network

Change Management

Fellow selection process and integration

In the case of AXA Mansard, the process for Fellow selection deviated slightly compared to the other project partners. Prior to the project, the fellow worked as a staff for AXA Mansard, Paris however upon the start of the Fellowship, AXA were keen on retaining the fellow within the AXA group. Although MicroEnsure also expressed interest in her application, the match was made in favour of AXA Mansard Nigeria due to her knowledge and experience of the organization.

The fellowship approach was effective at AXA Mansard since the Fellow had its prior knowledge and was specialized in actuarial sciences. These experiences were valuable to the organization. The Fellow integrated well within the cross-functional teams and provided support to other projects beyond the FSDA project.

Governance and reporting structure

The implementation structure of AXA Mansard is based on AXA's global practice. This enabled AXA Mansard to incorporate the project into the group structure and provided the needed support and commitment from senior management. For the purpose of the project, AXA Mansard also created a governance and reporting structure which enabled the insurance team to gain visibility and support across the organization and at the group level. The governance and reporting structure depicted in the mid-term evaluation²¹ is shown in the table below:

Table 5 Project governance and reporting structure

Committee	Members	Purpose	Meeting frequency
Group Level Steering Committee	AXA Top Management ILO fellow	AXA Top Management validate at the end of every module and the move forward; receive progress update on a quarterly base facilitate learning across the Group	Quarterly At project's milestones
Partners Steering Committee AXA or FSDA or ILO	FSDA team ILO team AXA project team	Specific to ILO project -At the end of each milestone the members meet to ensure alignment and to validate detailed plan of the next phase before moving on.	Quarterly
Nigeria Working Task	Emerging Customers core	Meet to develop and implement project	Daily Weekly

²¹ FSDA-ILO Impact Investment Facility, Mid Term Review, Draft report

Force:	team	objectives	Monthly
Operational	Project team		report
Team	Partnership		update
	teams		At Project
	Cross initiatives		Milestones

Project management and handover

The project created cross-functional project teams with key mid-management staff from different functions. The use of agile EC project teams helped to secure buy-in and acceptance across the organization. The EC team also benefitted from access to technical skills and support from other business units during the implementation of the project. There was a shift in focus from short-term objectives during the institutionalization of change to long-term and planned structure including development of cross-functional project teams and work plans.

When the Fellow’s contract ended, the project implemented a handover process through adopting the following steps:

- Recruiting new team lead within and outside AXA group with the requisite skill set to handle the ongoing and diverse EC projects.
- Transferring the fellow’s responsibilities and tasks to the existing EC team members through on the job training and capacity building.
- Acquisition of new resources to support the team such as a Business Development expert.

Capacity building

AXA Mansard participated in the Community of Practice meetings. The three community of practice held were attended by the fellow and by different staffs of AXA Mansard. The organization participated in the Fellow exchange programs where the ILO fellow, Marieme conducted some work with ADEFI Sante in Madagascar as part of her learning activity in March 2017. She was invited by the College of insurance of Nigeria to deliver trainings to senior executives of the market. Queenie Chow visited AXA Mansard for a learning exchange in October 2017 and focused on helping Marieme with the Malaria Product work plan and partnership identification. The organization dissemination information through:

Blog publications: [Getting buy-in for micro-insurance activities within a large insurer](#)

Participation in webinars: [Making change happen within insurers](#)

Efficiency

AXA Mansard did not draw any funding for the project implementation. This was because the need for technical support through the fellowship was core and this was a project that was added after agreeing to self-fund. The organization therefore invested its own funds to implement the project activities through the support of the AXA group.

Impact Orientation and Sustainability

Impact and potential to achieve scale

The team was engaged in multiple micro-insurance projects at the local and group level. The team achieved success with the parametric insurance product in Senegal and achieved the targeted numbers of 5 new products which are enhanced credit life, Malaria product, Digital Micro, Credit life and Vas, agri in Senegal. The project also created an impact in the market by making a claim payment of EUR 290,000 in the first year to SODEFITEX, the association of cotton producers. AXA Mansard aimed at replicating the model in Nigeria upon regulatory approvals. The Malaria Plan achieved large numbers of clients and outreach and in September 2019, there was 900 policies in force.

Sustainability and ability to catalyze market development

AXA Mansard made clear progress toward sustaining the project activities after the funding period. It increased the outreach through various micro-insurance products and initiatives. The organization catalyzed the market development in Senegal through the Agri parametric insurance product. The model was set to be replicated in Nigeria. In terms of the other initiatives, AXA Mansard has the potential to become a market leader through innovation and partnerships. The Malaria Plan product involved a number of stakeholders in the market to ensure long term continuity of the product at the organizational and market level.

Organization environment

NAICOM, the insurance regulator set a regulatory framework on micro-insurance that includes guidelines for inclusive financial products, the micro-insurance and takaful insurance, the alternate channels for delivery of micro-insurance and customer protection. Despite these achievements, the regulatory environment in Nigeria has posed one of the most significant constraints in the implementation of the project.

NAICOM released guidelines for Bancassurance operations in 2017 stipulating that insurance companies shall not enter into a referral arrangement with more than two referral banks. In addition, insurance companies shall not make any payment to the referral bank over and above the approved referral Commission. These regulations

affected the project since AXA Mansard had formed partnerships with various microfinance banks and piloted some products, hence the partnerships being put on hold. AXA Mansard has been lobbying for the regulator to create progressive laws on partnerships with a view to enhance access to insurance

3.2.4 Ivory Coast

3.2.4.1 SUNU Assurances Vie

SUNU Assurances Vie CI is the life insurance leader in Ivory Coast and in the CIMA region. It is a pioneer in the bancassurance in Ivory Coast and has a strong presence in the enterprises segment. In 2015 SUNU Assurances Vie acquired LMAI Vie (Le Millénium Assurances Vie) making it the biggest live insurance country in the country²². SUNU's strategic focus since 2011 has been to provide low cost life insurance for the emerging population.

Relevance of the project in meeting needs

Customer Oriented

SUNU's mission is to provide the entire insurable population with the social benefits of life insurance with a motivated and customer-oriented staff, including the total satisfaction of the customer. This strategic stance is further reinforced by the SUNU group's focus to deliver insurance through alternative distribution channels. SUNU's opportunity to join FSD Africa ILO project was relevant since it provided an avenue for the organization to refine its strategy and change its model of micro-insurance. On the customer front, the insurance sector in Ivory Coast mostly served the corporate clients and thus low-income segments were vulnerable to risks when they occur. SUNU was focused towards tapping into this opportunity by providing innovative solutions that meet the needs of the market. The organization envisioned a shift from dependence on a uni-channel partnership to a multi-channel model.

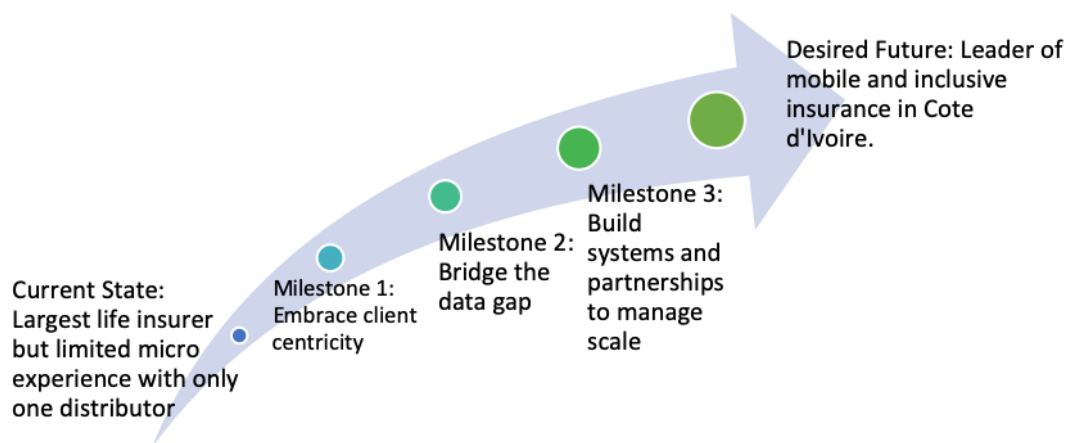
Change Management requirement

The change requirements fitted well within the scope of the FSD Africa change management framework which included the creation of a new unit to handle alternative distribution, design of innovative product offerings and leveraging on partnerships and technology. SUNU's selection as a project partner fulfilled the requirements of the FSD Africa objectives. The organization had a strong corporate structure adopted it was recognized as a brand in the market.

²² Impact Insurance, (2017). Retrieved from <http://www.impactinsurance.org/node/5808>

Due to the support from the project provided by the ILO and the ILO fellow, the focus of SUNU expanded to include the understanding of the target segments, bridging the data gap and regaining control of customer data along the value chain and streamlining operational procedures. This project enabled the organization to manage the changes required, in a structured approach. Technical and capacity support was provided by the ILO Fellow. The below figure shows SUNU's change management framework.

Figure 5 SUNU's change management framework



Innovation

At the inception of the project, SUNU's focus was primarily the acquisition of a robust IT platform to support the core operations of the organization and creation of a micro-insurance unit with the requisite capacity to manage alternative distribution.

Effectiveness, capacity to deliver, and innovation

The SUNU was able to complete some key activities that the organization set to implement.

Product innovation

SUNU is a life insurance company and licensed to sell life insurance policies. Life insurance in Ivory Coast was a rare notion particularly for the low-income population. To sell micro-insurance life policies, the SUNU project team designed life insurance covers with extended benefits that were considered valuable by the target clients. The innovative life micro-insurance policies had the following features:

- A range of premium and benefit levels to choose from depending on preferences and ability to pay.
- Unrestricted age limit for the beneficiaries particularly children at an additional premium charge

- Option to designate additional beneficiaries beyond the nuclear family for example parents
- Funeral endowment benefit
- Compensation in the event of disability to the insured and family

The product addressed the needs of the target clients particularly the funeral endowment benefit. Funerals have always been very expensive. The funeral benefit appealed to the target segment as it facilitated them to cater for funeral expenses. Additionally, the compensation enabled the beneficiaries to recover upon the death of the insured which was a valuable attribute by the clients.

Distribution (value chain)

SUNU utilized innovative approaches to leverage upon alternative distribution channels to deliver micro-insurance products to target clients. These approaches included Value chain-based approach. SUNU conducted a value chain assessment to understand all the actors involved in the deployment of a distribution channel. This enabled the organization to design a tailor made micro-insurance products for clients such as the savings linked product for Cofina's clients. Cofina clients were able to access life insurance based on target and locked savings. This provided valuable information on costs which could be used to scale up and design an effective profit-sharing model for SUNU and its partners.

Leveraging on partnerships

SUNU leveraged on its partnership network to achieve outreach to the target clients. However, the organization took a test and learn approach. The partnership was tested during the pilot and the lessons learned applied after the roll-out.

Sunu leveraged on technology platform to reduce distribution costs. This was integrated with the various partners and distribution channels hence enabling the organization to maximize efficiency and reduce costs.

Project management and handover

The project management approach at SUNU was based upon leveraging cross-functional team consisting of staff with diverse technical capacities for the project. The project team was led by the Fellow, who was selected for SUNU based on the core competencies in operations and process review management. The Fellow was critical to the project since SUNU did not have a dedicated micro-insurance unit and staff to handle the project. This increased the dedication and visibility of the project and support by the cross-functional team. The fellow provided technical support to the organization in terms of: change management, market research and product development and process review and mapping.

Capacity building

SUNU engaged actively in the community of practice held in Abidjan. The fellow participated in Fellow Exchange programs and conducted a PACE evaluation of products offered by CIF Vie in Burkina Faso. SUNU Participated in the webinars.

The project team was involved actively in the dissemination of learnings through publications. The Fellow participated in the following publications which have documented key lessons derived from the project as below:

- Blog publication: [SUNU Assurances just became a micro insurer in Cote d'Ivoire!](#)
- The ILO's Impact Insurance Facility's latest Emerging Insight: [“Applying agility to become an inclusive insurer”](#)
- An ILO or FSDA webinar in English: [“Making change happen within insurers”](#)
- An ILO webinar in French: [“Offrir des produits d'assurance aux populations rurales en Afrique de l'Ouest—Expériences du Programme Impact Insurance de l'OIT”](#).

Efficiency

SUNU received a grant worth USD 50,000 from FSDA for the project activities. The organization showed commitment by also investing internal resources towards funding the project activities. Investments put to the development of the technology platform was the highest compared to other project activities and required additional financial support to enable the full integration of the platform with the organization's partners. The organization also utilized the FSDA grant to build capacity within and to train the partners.

The table below shows the budget expense sheet for SUNU adopted from the mid-term review report²³.

Table 6 Budget expense sheet for SUNU

Budget and Expenses			
Budget allocation	Estimated costs (USD)	SUNU support (USD)	ILO Support (USD)
Customers and partners meetings	2,531	-	2,531
	1,687	-	1,687
Specification and prospection	4,218	4,218	

²³ FSDA-ILO Impact Investment Facility, Mid Term Review, Draft report

Platform creation	50,617	22,617	28,000
Redesign and commercialization of new products	5,062	5,062	
	25,308	25,308	
	3,374	3,374	
	8,436	8,436	
Trainings	8,436	-	8,436
	8,436	-	8,436
TOTAL (USD)	118,106	69,016	49,090

Impact Orientation and Sustainability

Impact and potential to achieve scale

Although developing the alternative channels and partnerships took a significant investment in terms of time and resources, if sustained, it has the potential to drive high customer numbers and volumes.

Sustainability and ability to catalyze market development

SUNU's vision is to become the market leader in micro-insurance in Ivory Coast and has proven the ability to achieve this vision through commitment and investment of internal resources towards the project.

Organizational strategy

The senior management of SUNU revised the organizational structure to fit with the strategy of leveraging upon alternative distribution channels. The management aligned the project objectives to the organization's strategy to ensure long term commitment. This would enable SUNU gain market leadership in Cote d'Ivoire in terms of innovation and outreach. In this regard, the project gained the support and interest at the group level with the view to replicate the model to other countries within the SUNU group. The project was provided with the requisite support in terms of investment of funds and allocated staff from core business functions to drive it. This provided assurance that the project would have continuity beyond the project term.

Leveraging on technology

The organization had a long-term view of the project and focused on creating a suitable business model, forming strong partnerships, and leveraging upon technology platform. This was built to enhance distribution and delivery of micro-insurance policies, with a view to ensure future sustainability.

Specialized staff for the project

After the fellow left before the project term, SUNU management showed commitment and need for project continuity through seeking a suitable replacement with a commercial mind set and skills in distribution and business development.

3.2.5 Mozambique

3.2.5.1 NBC

NBC Mozambique Micro Insurance Company S.A. is part of NBC Holdings South Africa. Established in 2014 as the first micro insurance company in Mozambique, the company focuses on directly serving the lower-income earner and the informal market, through the provision of innovative and cost efficient products and services that provide sustainable solutions to improve the lives of their clients²⁴. At the inception, NBC Mozambique had 5 years' experience in offering group policies (funeral cover) to two key clients – G4S and Rio Tinto Mining²⁵.

Relevance of the project

The NBC was the first and only micro-insurance company in Mozambique at the time of project conceptualization. In 2017, the NBC was selected by FSD Mozambique as a partner and then was added to the ILO-FSDA project as an additional project in order to leverage on the technical expertise of ILO Impact Insurance Facility and have an opportunity to learn from peers who were already participating in the FSDA change management project. The agreement was between ILO and FSDA, but FSD Mozambique was the funder. The partnership would enable NBC Mozambique to develop micro insurance and micro pension products targeted towards the low-income segment including the informal market, with technical and financial assistance. The project's aimed at building the technical capacity of NBC, to innovate and design adequate client centric micro-insurance products and roll out new micro insurance products was relevant to low-income segment in Mozambique.

A study by Finscope (2014)²⁶ showed that the financial inclusion in Mozambique was at 54% and saving through banks was at 17%. The study also indicated the costly medical emergencies and funerals with 1.4 million (19%) individuals from households experiencing one or more deaths in the past 12 months prior to the survey, and only 9% of adults with insurance.

²⁴ Impact Insurance (2018). Retrieved from <http://www.impactinsurance.org/node/6350>

²⁵ <http://www.impactinsurance.org/practitioner-lessons/fsdmoc/nbc>

²⁶ FinScope, (2014). Building capacity to help Africa trade better Retrieved from <https://www.tralac.org/news/article/6019-results-from-finscope-malawi-consumer-survey-2014.html>

The low levels of insurance penetration in the Mozambique, was coupled with low awareness of insurance and failure to ask for financial advice. Most advice on money management depended on family and friends, hence little awareness on how to deal with risks especially among the low-income adults. The insurance was perceived essentially as a product for the wealthy with low-income groups accessing insurance mainly through employer initiative, government requirement or by law enforcement such as vehicle insurances. Funeral insurance was the most popular form of insurance used by 5.7% of the adult population and was accessed through formal and informal insurance.

The partnership with NBC was also due to the organization offering employee benefits, pension, provident and retirement fund administration. The project aimed at building the technical capacities of NBC to design and operationalize a micro-insurance retail business model in relation to products, processes and delivery mechanisms. As such the project was in line with the micro-insurance strategy of NBC to provide innovative and cost-efficient products and services, sustainable solutions to improve the lives of their clients.

The NBC results were consistent with FSDA's expected impact or outcome of increasing access to formal financial services for poor adults and creating more inclusive financial markets across the region.

Effectiveness, capacity to deliver, and innovation

Through this project, NBC expected to design and scale up one (1) new micro-insurance product, reach 213,000 low-income clients and conduct change management activities in relation to improving client value, creating viable partnerships, leveraging on mobile phones, retailers and other distribution channels and develop a technology-based client interface. These results were expected to contribute to an increase of access to finance to 3 million adults, especially to the poor and women. The micro-insurance project also aimed to resolve the lack of inclusive product and channel development and execution capacity of financial service providers in the region.

Change management

NBC Mozambique conducted a market research and designed the product concepts and a client centric research with the target segment who were the low-income groups. The ILO Fellow and NBC staff conducted interviews with potential clients and this was the first time ever for NBC to conduct such a survey. They gained useful feedback and incorporated it in design of NBC funeral benefits product. The project started setting up a new business model including internal micro-insurance processes

and products to target the low-income through leveraging of partnerships and technology.

The fellow did some scalping in the Mozambique market, in both the private sector and public entities and successfully brought the partnerships with funeral homes to provide funeral cover to clients. This followed the South African model where the life insurance was on high penetration. The project also implemented a USSD platform where clients could access NBC insurance products on their mobile phone.

Staff training

The staffs of NBC appreciated the valuable lessons learned during the community of practice that they attended in Nairobi, Kenya. They were exposed to different micro-insurance products and innovations that the different partners were developing including agriculture insurance. The project partners took steps to improve the collaboration and communication among the project key stakeholders including NBC, ILO, FSD Mozambique and FSD Africa.

FSD Mozambique allocated a staff to monitor the implementation of the project on a more frequent basis while NBC appointed a project lead to drive the implementation of the project. The partners then revised the work plan and had a joint discussions to agree on the implementation of the revised work plan.

Efficiency

The FSD Mozambique disbursed USD 100,000 to FSDA for payment to ILO Impact Insurance Facility. This budget catered for expenses related to the technical assistance provided by the ILO Impact Insurance Facility team that is the Fellow and the Project Manager.

NBC reported expenditures worth MZN 1,206,292 (~ USD 20,210). The main expenditure items included costs related to conducting the market studies, development of the USSD application and NBC staff man-hours spent on the project. This is shown in the table below adopted from the mid-term review²⁷.

Table 7 Expense sheet for NBC

Expense category	Total (MZN)	Total (USD)
Market study Phase 1	625,000	10,471
Development of application (Mobile, USSD)	27,200	456
Market study Phase 2	550	9
Staff manhours	553,542	9,274

²⁷ FSDA-ILO Impact Investment Facility, Mid Term Review, Draft report

Total (MZN)	1,206,292	20,210
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Impact Orientation and Sustainability

Sustainability and ability to catalyze market development

The ILO Impact Insurance Facility's approach to provide technical assistance to NBC was a participatory one, where skills and tools were transferred to NBC staff and management.

Organization environment

The organization had unclear framework to operationalize new retail structures at NBC except use of market research and product development. However, more focus should also be put in setting up internal processes and systems for retail micro-insurance. In comparison to the other partners in the project, NBC set higher targets to be achieved in a very short duration, of the two-year project life.

The NBC Mozambique project also had limited number and skills capacity of the staff. The team involved in the project had administrative roles and not involved in strategic or operational roles.

4.0 Overall conclusions

FSD Africa/ILO project interventions targeted the main needs and sought to create impact by increasing access to formal financial services for poor adults in Sub Saharan Africa. The project strategies supported the organizations to become the ambassadors of change demonstrating the impact and encouraging other institutions to adopt change management.

The use of fellow was very innovative and strategic. The fellows were innovative and versatile and instrumental in mapping out processes, in project management, and working with the different internal and external teams as well as partners to ensure a proper implementation of the key initiatives. A number of implementing partners put a lot of responsibilities and expectations to the fellows. This led to risks of the outcomes not being achieved and the sustainability being compromised when the contract came to an end.

There was a transition plan for each fellow but partners, such as Kifiya, did not have resources to replace the fellow. Therefore for sustainability of the project gains, the project should consider developing and documenting the implementation process for the strategy for Fellows at the end of the project term for future projects.

The project envisioned that it will deepen the reach of insurance to the low-income segments. The project reporting frequency was well done on a quarterly and semi-annual basis which was adequate for tracking the project process, progress and timeline. The narrative reporting templates were shared by the FSD Africa for consistency. The dashboard was used by the project to monitor respective partner's outcome. The dashboard clearly showed the products and process in different stages such as 1) products under development, 2) products designed and redesigned 3) Number of products tested, 3) Number of products scaled up, and 4) Number of new people reached.

The partners provided the activity updates on a quarterly basis and tracked the calendar quarters. However the progress against set milestones was difficult to monitor due to failure to use any kind of ratings to assess progress of the project key performance indicators.

There was no clear definition of who the middle and low-income customer segments would be. Additionally, there was no tracking of the changes that took place among the community or beneficiaries particularly the low income segment to know the changes that took place due to the products developed or the change processes implemented.

The monitoring tools including the dashboards did not clearly disaggregate the data into gender. Lack of disaggregated data makes it difficult to track how many women

or men were specifically reached by the projects and how differently they were affected positively by the project interventions.

4.1 Specific conclusions and ratings by project component

The below rating was used for specific country projects. The below table shows the Red, Amber Green (RAG), rating definitions

Table 8 RAG rating definition

	Behind schedule to deliver on the aspect of assessment to agreed specification, timeframes and/or budget and no mitigating actions have been put in place, or are not possible in this circumstance.
	Behind schedule to deliver on the aspect of assessment to agreed specification, timeframes and/or budget but mitigating actions have been put in place to rectify the issue.
	On schedule to deliver on the aspect of assessment to agreed specification, timeframes and budget.

Equity Insurance Agency

Institution	Relevance	Effectiveness	Efficiency	Impact	Sustainability
Equity Insurance Agency					

Equity Insurance Agency's initiatives have the potential of continuity if mainstreamed in the normal operations of the institution. However, the initiatives would need to be delivered to a large number of population even after the life of the project.

Britam Insurance

Institution	Relevance	Effectiveness	Efficiency	Impact	Sustainability
Britam Insurance					

Britam has a strategic focus on micro-insurance and has the capacity to deliver the targets outcomes. However, the products need to be strategically focused on how to enhance its sustainability.

Kifiya

Institution	Relevance	Effectiveness	Efficiency	Impact	Sustainability

Kifiya					
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Despite the micro-insurance regulations in Ethiopia being underdeveloped Kifiya project was in alignment with objectives of deepening the outreach of micro-insurance to low-income households. It targeted smallholder farmers and pastoralists from low-income households through the project. Thus the clients were able to insure their crop and livestock.

Kifiya, had a good monitoring system, ensuring the data was well disaggregated into different gender clearly showing those who utilized their products in different years.

Kifiya relied a lot on the ILO fellow and after the fellow’s contract ended, Kifiya faced the risk of not having a key resource in micro-insurance product development which could affect the sustainability of the achievements. Also noted was that the claims ratio were more than the premiums paid up by the farmers in the crop index insurance product.

AXA Mansard

Institution	Relevance	Effectiveness	Efficiency	Impact	Sustainability
AXA Mansard					

The project was relevant since it was well aligned to the FSD Africa objectives to enhance access to insurance to SMEs which are part of the emerging customers segment as well as the FSD Africa’s change management framework. The organization instituted a series of changes such as the establishment of an EC unit.

The organization effectively implemented the core project activities despite the delay at the start of the project and also implemented these activities through investment of own funds. AXA Mansard implemented a very good handover process when the Fellow’s contract came to an end hence enhancing the sustainability of the projects achievements and activities.

The project is sustainable despite progress being affected considerably by regulatory constraints.

SUNU

Institution	Relevance	Effectiveness	Efficiency	Impact	Sustainability
SUNU					

Sunu was relevant to the objectives of FSD Africa since it had a change management component. The project envisioned outcomes will also enhance access to insurance in Ivory Coast through alternative distribution.

Although, the project was able to achieve some of the projected activities as per the change management framework it was affected by the departure of the Fellow before the end of the project term. Changes that were taking place from the merger of SUNU and digital transformation agenda, also affected the change management processes and the pace of the project.

NBC

Institution	Relevance	Effectiveness	Efficiency	Impact	Sustainability
NBC					

The NBC had challenges achieving the project objectives of reaching the low-income segment with innovative insurance solutions, leveraging on digital technology and meeting the need of change management. This was due to lack of internal resources to execute the project activities and the challenging environment in Mozambique because the insurance market was very new.

The capacity of NBC to deliver on the project objectives, outcomes and impact also needed to be enhanced through hiring of key competencies, designing and implementing key and successful micro-insurance products and processes and developing and managing strong partnerships.

The delay in implementation of technical assistance to NBC was because the ILO Fellow did not renew the contract and the delay in which necessitated the review of the results framework to allow the company to design one product as opposed to two products. NBC had numerous challenges such as limited organizational capacity, limited collaboration and communication among project partners and lack of an operational model or structure for retail micro-insurance to support the design and scaling individual policies to the low-income segment. All these posed a risk to achieving the project milestones and sustainability of the outcomes after the end of the project.

Failure of NBC to use mobile wallet and the USSD payment affected the achievement of its outcome. The clients had to go physically and pay cash had to the funeral parlor. This was a limiting factor.

5.0 Recommendations

1. **The facility did not participate in the selection process of NBC. In such a case, the facility should facilitate regular joint discussions and check in meetings with all the project stakeholders to address any issues arising and give needed advice.**

Who is called upon to act: ILO's Impact Insurance Facility

Level of priority: Medium

Time frame for implementation: At the moment, it's not applicable, till the next project is started

Resource implication: Low

2. **Consider extension of the Fellowship programme and the extension of the project time from two years to a slightly longer period approximately three years, in future programmes. This will provide time for support for partners and time for the project to achieve considerable outcome, milestones and even impact in the market. A longer support period to the institutions on consumer education and awareness activities on insurance would help in sustaining achieved outcomes.**

- **Who is called upon to act:** The ILO's Impact Insurance Facility and FSD Africa

- **Level of priority:** High

- **Time frame for implementation:** Long-term. This could be implemented during the next programmes

- **Resource implication:** Medium

3. **The program should expand the standardized monitoring and reporting template to incorporate timelines in months and years. This will accurately and systematically capture the progress of the project activity implementation by partners and the effect of the project interventions on the end clients. This will also detect early enough the cause of any delay of a set activity and look an appropriate solution.**

Who is called upon to act: The ILO's Impact Insurance Facility

Level of priority: High

Time frame for implementation: Long-term

Resource implication: Low

- 4. The program should consider revising the monitoring and reporting tools to systematically disaggregate the information of the end client into both male of female and age groups.**

Who is called upon to act: The ILO's Impact Insurance Facility

Level of priority: High

Time frame for implementation: Long-term

Resource implication: Low

- 5. For sustainability of the project gains, the project should consider developing and documenting a clearer exit strategy for Fellows at the end of the project term for future projects.**

Who is called upon to act: The ILO's Impact Insurance Facility and FSD Africa

Level of priority: High

Time frame for implementation: Long-term

Resource implication: High

- 6. The ILO/FSD Africa should consider supporting the respective partners in lobbying to the regulators to consider revising policy that hampers innovations in micro insurance.**

Who is called upon to act: The ILO's Impact Insurance Facility and FSD Africa

Level of priority: High

Time frame for implementation: Medium

Resource implication: Low

5.1 Specific recommendations by country project

- 7. Equity Insurance Agency:** For sustainability, Equity Insurance Agency's should consider scaling up the products Riziki to the broader Equity Bank customers. Create more awareness and education to a larger population and invest in agent education too. This will increase its outreach, uptake and usage of the insurance products. For sustainability of the benefits even after the withdrawal of FSD Africa and ILO's Impact Insurance Facility partnership, EIA should increase the conversion of the loyalty Riziki customers to the paid Riziki + cover.

EIA should consider conducting research and survey to track how the products are utilized by different segments of the population including different gender, age groups, chamas, low segment clients, middle segments and high segment clients. And monitor what changes the developed products have contributed to different end population.

Who is called upon to act: Equity Insurance Agency

Level of priority: High

Time frame for implementation: Long-term

Resource implication: Medium

8. **Britam Insurance:** Consider investing in consumer education to create awareness and understanding in insurance especially to the low segment group. This will enable the organization to scale up the micro-insurance products. Develop a partnership strategy and model to enable scaling up of products like the credit Health micro-insurance product. As recommended by clients during the market survey, consider product that would cover the hospital bills rather than giving cash which would not be a priority when one is hospitalized. For sustainability, consider incentivizing the clients who are loyal premium payers by giving discount. Customers who pay premiums on time, could get a discount or a bonus to motivate them and to encourage others. For sustainability, consider developing more products to cover risks associated with education and business failure. Britam, should also consider monitoring how the products are utilized by different segments of the population including different gender, age groups, low segment clients, middle segments and high segment clients. This will enhance the tracking of the benefits and changes to the specific end clients and leave no one behind. As recommended by clients during the market survey, consider product that would cover the hospital bills rather than giving cash which would not be a priority when one is hospitalized and developing more products to cover risks associated with education and business failure.

Who is called upon to act: Britam Insurance

Level of priority: High

Time frame for implementation: Long-term

Resource implication: High

9. **Kifiya:** consider investing in creating public awareness, consumer education and or literacy programme on insurance and especially among low-income segment and farmers. Kifiya should also continue investing in market or client survey for different agricultural and non-agricultural insurance products and use the survey results in developing and launching the products.

To enhance effectiveness, consider partnering with more sales agents from private insurance companies and cooperatives to distribute the developed products. But also invest in a clear strategy for Kifiya's digital microfinance. For sustainability, Kifiya may consider provide credit-linked insurance and invest in multiperil crop index insurance and the non-agricultural insurance products such as health and bereavement.

Who is called upon to act: Kifiya

Level of priority: High

Time frame for implementation: Long-term

Resource implication: Medium

10. AXA Mansard: continue investing in a dedicated EC team with increased resources. The EC team can also slow down on generation of new ideas and initiatives and work on scaling up the existing products. Continues lobbying to the regulator is needed, on micro-insurance products and the need for a conducive regulatory environment that spurs innovation.

Who is called upon to act: AXA Mansard

Level of priority: High

Time frame for implementation: Long-term

Resource implication: Medium

11. SUNU: develop a sustainable partnership model and start building the technical capacity to manage these partnerships and distribution so that they provide a valuable and profitable business case in the future. SUNU should consider revising the organization structure and business model to ensure the continuity of the project achievements and allocate dedicated staff to drive the micro-insurance business and alternative channels strategy.

Who is called upon to act: SUNU

Level of priority: High

- **Time frame for implementation:** Long-term

- **Resource implication:** Medium

12. NBC: develop a comprehensive marketing and distribution strategy that will allow for the products to meet the targeted number of clients. The new or refined product will need to design for sustainability including creating financial projections. The NBC should consider increasing its lean team to enhance the organizational capacity in terms of key competencies and skills. The current skills and capacities of staff should be assessed and strengthened to ensure appropriate transfer of skills is achieved and sustainable.

Who is called upon to act: NBC

Level of priority: High

Time frame for implementation: Long-term

Resource implication: Medium

Acknowledgements

Special thanks go to International Labour Organization team, Aparna Dalal and David for guidance, support and assisting with logistics hence ensuring the activity is successful. The consultant wish to extend heartfelt appreciation to all the partners, stakeholders and participants for actively participating in the interviews and providing vital information. Without their honest and incisive views and opinions, this evaluation would not have been possible.

Many thanks to ILO at regional level and FSD Africa officials in Nairobi, Kenya for sharing valuable information and excellent cooperation from all.

Evaluation Consultant

ANNEX 1 – LESSONS LEARNED

ILO Lesson Learned Template	
Project Title: FSD Africa and ILO Impact Insurance Facility	
Project	
Project TC/SYMBOL: FSDA/SKILLS/146/2015	
Name of Evaluator: Eddah Kanini	Date: 28
February 2020	
The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.	
LL Element	Text
Brief description of lesson learned (link to specific action or task)	Very good insurance regulations, have a positive impact on the projects and specifically on implementation and uptake of micro insurance. Good and effective regulations leads to quick approvals for development, testing and launching of insurance products.
Context and any related preconditions	Existing insurance regulations or lack of regulations.
Targeted users / Beneficiaries	The middle and low-income customer segments.
Challenges /negative lessons - Causal factors	Where regulation are not favorable, the projects were not given the government subsidy to allow the premiums to be more affordable or to conduct insurance underwriting or sell insurance directly to clients.
Success / Positive Issues - Causal factors	The good insurance regulations in Kenya, positively impacted the projects by providing regulatory approvals to use Bank agents to sell insurance products.
ILO Administrative Issues (staff, resources, design, implementation)	Mr. David Dorkenoo

ILO Lesson Learned Template

Project Title: FSD Africa and ILO Impact Insurance Facility Project

Project TC/SYMBOL: FSDA/SKILLS/146/2015

Name of Evaluator: Eddah Kanini **Date:** 28 February 2020

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

LL Element	Text
Brief description of lesson learned (link to specific action or task)	The use of Digital and technological platforms enhance the quality, development and distributions of the products. Technology led to more clients enrolling in products such as the Riziki Cover using a USSD platform
Context and any related preconditions	None
Targeted users / Beneficiaries	The middle and low-income customer segments.
Challenges /negative lessons - Causal factors	Not all projects had good access to digital and technological platforms
Success / Positive Issues - Causal factors	Availability of digital platforms
ILO Administrative Issues (staff, resources, design, implementation)	Mr. David Dorkenoo

ILO Lesson Learned Template

Project Title: FSD Africa and ILO Impact Insurance Facility Project

Project TC/SYMBOL: FSDA/SKILLS/146/2015

Name of Evaluator: Eddah Kanini **Date:** 28 February 2020

The following lesson learned has been identified during the course of the evaluation. Further text explaining the lesson may be included in the full evaluation report.

LL Element	Text
Brief description of lesson learned (link to specific action or task)	The project period was short taking around two years whereas on average, an insurance product can take more than three years to break-even.
Context and any related preconditions	None
Targeted users / Beneficiaries	Low-income segment
Challenges /negative lessons - Causal factors	Where the ILO Fellow did not renew the contract, the delay of replacement led to delay of the implementation of technical assistance. This necessitated the review of the results framework to allow for the company to design one product as opposed to two products
Success / Positive Issues - Causal factors	Despite the short period, the fellows were versatile and instrumental in mapping out processes and ensuring a proper implementation of the key initiatives.
ILO Administrative Issues (staff, resources, design, implementation)	Mr. David Dorkenoo

ANNEX 2 – EMERGING GOOD PRACTICE TEMPLATE

ILO Emerging Good Practice Template	
Project Title: FSD Africa and ILO Impact Insurance Facility Project	
Project TC/SYMBOL: FSDA/SKILLS/146/2015	
Name of Evaluator: Eddah Kanini	Date: 28 February 2020
The following emerging good practice has been identified during the course of the evaluation. Further text can be found in the full evaluation report.	
GP Element	Text
Brief description of the good practice; link to specific action, task or policy	The FSD Africa/ILO approach of partnership and use of fellows to implement change management process was a good practise. The fellows were versatile and instrumental in mapping out processes, project management, and working with the different internal and external teams as well as partners to ensure a proper implementation of the key initiatives.
Relevant pre-conditions, Context	The placement of the fellows to the organization is applicable to other projects.
Causal Factors	The theory of change was the causal factor of the change management implemented
Targeted users / Beneficiaries	The partners implementing the project
Indicate Measurable impact	The use of fellow was very innovative and strategic.
Potential for replication	This can be replicated on other projects
Links to Country Programme Outcomes or ILO Policy	Leveraging on the lessons, the Facility aimed to support the selected organizations, through an innovation cycle of new products, technology, or partnership, to be better placed to serve the low-income market in the future.
Other relevant documents or comments	The project envisaged that the change management would deliver a lasting impact and contributes to change in behavior of micro insurance institutions towards underserved client groups.

ILO Emerging Good Practice Template

Project Title: FSD Africa and ILO Impact Insurance Facility Project

Project TC/SYMBOL: FSDA/SKILLS/146/2015

Name of Evaluator: Eddah Kanini

Date: 28 February 2020

The following emerging good practice has been identified during the course of the evaluation. Further text can be found in the full evaluation report.

GP Element	Text
Brief description of the good practice; link to specific action, task or policy	Market research and value chain assessment is a good practice to understand all the actors involved in the production of products and deployment of a distribution channel. This leads to understanding the target client segments and obtain insights on the customers, hence design a micro-insurance products for clients.
Relevant pre-conditions, Context	This is applicable to other projects
Causal Factors	The theory of change is a causal factor of this change management
Targeted users / Beneficiaries	The partners implementing the project
Indicate Measurable impact	The use of fellow was very innovative and strategic.
Potential for replication	This can be replicated on other projects
Links to Country Programme Outcomes or ILO Policy	ILO expected the ppartners to participate in action research process, analyzing and documenting lessons from the innovative efforts.
Other relevant documents or comments	

ILO Emerging Good Practice Template

Project Title: FSD Africa and ILO Impact Insurance Facility Project

Project TC/SYMBOL: FSDA/SKILLS/146/2015

Name of Evaluator: Eddah Kanini

Date: 28 February 2020

The following emerging good practice has been identified during the course of the evaluation. Further text can be found in the full evaluation report.

GP Element	Text
Brief description of the good practice; link to specific action, task or policy	Project staff's ability to learn through community of practice and exchange forums is also a good practice to disseminate the lessons learnt to the larger population.
Relevant pre-conditions, Context	This is applicable to other projects
Causal Factors	The theory of change is a causal factor of this change management
Targeted users / Beneficiaries	The partners implementing the project
Indicate Measurable impact	The use of fellow was very innovative and strategic.
Potential for replication	This can be replicated on other projects
Links to Country Programme Outcomes or ILO Policy	Not applicable.
Other relevant documents or comments	

ANNEX 3 TERMS OF REFERENCE

Terms of Reference
Final Independent Evaluation
FSD Africa and ILO Impact Insurance Facility Project

ILO Project Code	FSDA/SKILLS/146/2015
Project Countries	Kenya, Ethiopia, Mozambique, Nigeria, Ivory Coast
Administrative Unit in Charge of the Project	Impact Insurance Facility
Technical Backstopping Unit	Enterprise Department
Type of Evaluation	Independent Final Evaluation
Project Period	1 April 2016 to 31 October 2019
Total Project Budget	\$1,702,128.00
Funding Agency	United Kingdom Government
Evaluation Manager	David Dorkenoo

ANNEX 4 EVALUATION GUIDELINES AND STANDARD TEMPLATES

1. Integrating gender in the monitoring and evaluation of projects,
https://www.ilo.org/eval/Evaluationguidance/WCMS_165986/lang--en/index.htm
2. ILO Policy Guidelines for Evaluation: Principles, Rationale, Planning and Managing for Evaluations (3rd ed. August 2017),
http://www.ilo.ch/eval/Evaluationpolicy/WCMS_571339/lang--en/index.htm
3. Checklist No. 3 Writing the inception report:
http://www.ilo.org/wcmsp5/groups/public/---ed_mas/---eval/documents/publication/wcms_165972.pdf
4. Checklist No. 5 Preparing the evaluation report:
http://www.ilo.org/wcmsp5/groups/public/---ed_mas/---eval/documents/publication/wcms_165967.pdf
5. Checklist 6 Rating the quality of evaluation report
http://www.ilo.org/eval/Evaluationguidance/WCMS_165968/lang--en/index.htm
6. Guidance note 7 Stakeholders participation in the ILO evaluation
http://www.ilo.org/eval/Evaluationguidance/WCMS_165982/lang--en/index.htm
7. Template for lessons learnt and Emerging Good Practices
http://www.ilo.org/eval/Evaluationguidance/WCMS_206158/lang--en/index.htm
http://www.ilo.org/eval/Evaluationguidance/WCMS_206159/lang--en/index.htm
8. Writing the evaluation report summary
http://www.ilo.org/eval/Evaluationguidance/WCMS_166361/lang--en/index.htm
9. Template for evaluation title page
http://www.ilo.org/eval/Evaluationguidance/WCMS_166357/lang--en/index.htm

ANNEX 5 DOCUMENTS REVIEWED

- Terms of Reference FSD Africa and ILO Project_2019_Final
- Client segmentation based upon CGAP's Customer Segmentation tool for low-income households
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- <http://www.impactinsurance.org/country/kenya>
- ILO Evaluation policy 2017, GB.331/PFA/8, Geneva
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- Sharma,S. & Dalal, A. (2019). Making a profitable inclusive insurance business: a case study of Britam, Kenya. International Labour Organization:
- FSDA-ILO Impact Investment Facility, Mid Term Review, Draft Report
- Net Promoter Score is a management tool that can be used to gauge the loyalty of a firm's customer relationships.
- Dalal, A., Merry, A. & Sing'oei, E. (2019). Case brief: Kifiya financial technology. International Labour Organization. Retrieved from http://www.impactinsurance.org/sites/default/files/CB14_0.pdf
- Impact Insurance, (2017). Retrieved from <http://www.impactinsurance.org/node/5808>
- FinScope, (2014). Building capacity to help Africa trade better Retrieved from <https://www.tralac.org/news/article/6019-results-from-finscope-malawi-consumer-survey-2014.html>
- ILO Action Plan for Gender Equality 2018-21
- Projects progress reports (annual and bi-annual, quarterly)

- Minutes of meetings
- Work plans
- Projects log frames and theory of change
- Project monitoring plans
- Government documents and National guidelines
- Policy frameworks

ANNEX 6 PERSONS INTERVIEWED AND CONSULTED

Name	Organization
Ms. Indira Gopalakrishna	Previously, a Fellow at Equity Insurance Agency- Currently in Singapore
Mr. Saurabh Sharma	Previously, a Fellow at Britam- General Manager Microinsurance
Mr. Thomas Wiechers	FSD Africa
Mr. Kevin Munjal	FSD Africa
Mr. Ryan Mwanzui	FSD Africa
Mr. Megerssa Miressa	Kifiya, Ethiopia
Mr. Alfred Egbai	AXA Mansurd in Nigeria
Mr. Enock Singoie	Previously a fellow at Kifiya in Ethiopia
Mr. Pietro Magnoni	Previously a fellow at NBC in Mozambique
Ms. Marieme Ba	Previously a fellow at AXA Mansurd in Nigeria
Mr. Edgar Aguilar	Previously a fellow at SUNU, Ivory Coast
Ms. Aparna Dalal	ILO
MR. David Dorkenoo	ILO