**Largest Non-Governmental Climate Insurance Programme Launches for African & Asian Smallholder Farmers**

***Initiative aims to achieve 1% of G7 goal to insure vulnerable people***

* **Up to four million beneficiaries anticipated**
* **Scheme will be available in six countries in Africa and Asia**
* **Sustainable funding mechanism makes disaster recovery lending scalable**
* **Provision of $10m contingent disaster finance credit line from the InsuResilience Investment Fund**

London – 18 January 2018 – Over 690,000 families totalling up to four million people living in six low-income countries stand to benefit from a new climate insurance programme launched today by [VisionFund International](http://www.visionfund.org/), World Vision’s microfinance arm and [Global Parametrics](http://www.globalparametrics.com/), a new venture funded by the United Kingdom’s Department for International Development (DFID) and by the [InsuResilience Investment Fund](http://insuresilienceinvestment.fund/), set up by German development bank KfW and managed by Swiss-based impact investment manager [BlueOrchard Finance](http://www.blueorchard.com/category/news/blog/). Financing for the initial preparation and assessment required to implement the programme came from the Rockefeller Foundation and [FMO](https://www.fmo.nl/), the Dutch development bank.

The programme known as the African and Asian Resilience in Disaster Insurance Scheme (ARDIS) is thought to be the world’s largest non-governmental climate insurance programme. ARDIS will increase access to finance and provide post disaster recovery lending to rural families and smallholder farmers who live below the poverty line and participate in VisionFund’s microfinance network. In its first year, ARDIS protection will be provided to VisionFund’s clients in Kenya, Malawi, Mali, Zambia, Cambodia and Myanmar, of which around 80% are women. This programme will effectively meet one per cent of the [G7 goal](https://sustainabledevelopment.un.org/content/documents/7320LEADERS%20STATEMENT_FINAL_CLEAN.pdf) to increase access for up to 400 million uninsured people in developing countries to insurance products that protect against climate risk.

The ARDIS programme allows beneficiaries to receive swift access to much-needed credit required by farmers and small businesses after a climate shock. Recovery lending, essentially small loans with special terms, is provided through VisionFund’s microfinance institutions. Such loans are disbursed immediately during and after disasters to help clients maintain or restart economic activities, complementing relief aid which is required for urgent survival needs in disaster situations.

Fast recovery lending to the client is enabled by the provision of liquidity to the microfinance institution in order to bolster its resources to cope with increased demand. Global Parametrics’ advanced climate-based data modelling verifies the climate event and triggers access to both contingent liquidity and risk capital by VisionFund’s microfinance institutions. This injection of funds to the microfinance institutions restores their balance sheets, thus ensuring business continuity or enhancement of operations and services despite the common disruptions created by such calamities. For example, typically in disasters when clients cannot repay loans and there is higher demand for lending, microfinance institutions suffer a reduction in the amount of capital they hold and are therefore required to curtail their lending.

The contingent liquidity for ARDIS is provided by the [InsuResilience Investment Fund](http://www.insuresilienceinvestment.fund/) which is managed by impact investment specialist, BlueOrchard Finance, and backed by KfW on behalf of BMZ, the German Federal Ministry for Economic Cooperation and Development. Risk capital is provided through the Natural Disaster Fund that is managed by Global Parametrics and currently funded by the British government via DfID. The structure offers an affordable and sustainable system for disaster recovery lending at costs of approximately half a per cent of loan portfolio value per annum payable by the microfinance institution.

Michael Mithika, President and CEO, VisionFund International said: “ARDIS uses an innovative financing structure making recovery lending scalable. This scalability means greater opportunities for more people to access emergency finance to restart businesses and restore incomes. We’ve already seen the benefits of recovery lending initiatives in sub-Saharan Africa in 2016/2017 which were supported by a £2 million returnable grant from DfID. We are excited about rolling this out on a wider scale.”

Jerry Skees, Chief Strategy Officer and Director of Global Parametrics, said: “We are thrilled to have worked jointly with VisionFund to develop this innovative programme. Together, we have the potential to meet ambitious social goals that improve financial inclusion, facilitate recovery lending and build resiliency for communities. The adoption of ARDIS also assists microfinance institutions to protect their exposure to climate risk, ensure continuity of services and continue business growth. The closing of this transaction is a major milestone as we build market-changing risk models and offer solutions to communities needing them most. We plan to repeat this type of offering with other firms serving the poor and vulnerable in emerging markets.”

Stefan Hirche, Chairman of the Board of the InsuResilience Investment Fund said: “African and Asian countries are highly vulnerable to the effects of climate change and natural catastrophes. We are looking forward to partnering with VisionFund International and Global Parametrics to reduce the vulnerability of small businesses and low-income households in these regions and to contribute to achieving the G7 goal to insure 400 million vulnerable people.”

Financing for the initial preparation and assessment required to implement ARDIS came from the InsuResilience Investment Fund, DfID, Asian Development Bank, the Rockefeller Foundation, and with focused support to launch the program provided by the Dutch development bank FMO. FMO’s contribution was provided by the MASSIF fund, which is managed by FMO on behalf of the Dutch government. MASSIF supports small businesses and micro-entrepreneurs in emerging markets by providing resources to financial intermediaries. MASSIF supports innovations in inclusive business, such as ARDIS, targeting households at the base of the pyramid which are often situated in rural areas.

Michael Mithika concluded: “ARDIS consolidates VisionFund International’s leadership in the provision of on-the-ground agricultural finance. This is the first step for VisionFund in the use of climate science and Financial Disaster Risk Management tools to create extremely low cost climate protection. We are already working on additional countries, risks, features and services with Global Parametrics to build on ARDIS.”

-Ends-

**Editor’s notes:**

For further information about recovery lending, please read about [VisionFund’s work supported by DfID](http://www.visionfund.org/2084/news-stories/media/)

**ABOUT VISIONFUND INTERNATIONAL**

VisionFund International, World Vision’s microfinance arm, has been improving the lives of children in the developing world for more than a decade. By offering small loans and other financial services, its clients develop successful businesses, enabling their children to grow up healthy and educated. In 2016, VisionFund International MFIs provided 1.4 million loans, with nearly three-quarters of these going to women, and over half to clients actively involved in farming. Repayment rates were 98%. Also in 2016, 4.3 million children were impacted through its MFI network located across more than 30 countries in Africa, Latin America, Asia, and Eastern Europe.

For further information please visit: [VisionFund.org](http://www.visionfund.org/)

**ABOUT GLOBAL PARAMETRICS**

Established in 2016, Global Parametrics is a for-profit social venture, offering innovative risk management products that increase resilience and expedite recovery in emerging economies threatened by natural disasters and extreme weather events. The company is backed by KfW’s InsuReslience Investment Fund and the UK’s Department for International Development (DfID).

Global Parametrics takes a new perspective on risk by applying truly global climate and seismic data with specialised modelling, customised structuring and collateralised capital provided by its Natural Disaster Fund. With the knowledge and networks to help scale the financial markets for disaster preparedness, risk transfer and response, Global Parametrics is confident that it can make a significant contribution to the G7’s InsuResilience Initiative which aims to bring disaster risk transfer to up to 400 million vulnerable people by 2020.

For more information about Global Parametrics, visit: [www.globalparametrics.com](http://www.globalparametrics.com)

**ABOUT insuresilience investment fund**

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

For more information about InsuResilience Investment Fund, visit: [www.insuresilienceinvestment.fund](http://www.insuresilienceinvestment.fund/)

**ABOUT BlueOrchard Finance Ltd**

BlueOrchard Finance is a leading global impact investment management firm dedicated to fostering inclusive and sustainable growth while providing attractive returns for its investors. BlueOrchard offers premium multi-asset class solutions and is an expert in innovative blended finance and public-private-partnership mandates. With a major presence in emerging and frontier markets and offices on four continents, BlueOrchard helps its partners around the world make profound investment decisions and meet their objectives. Founded in 2001 by initiative of the UN, BlueOrchard was the first commercial manager of microfinance debt investments. The firm has utilised its know-how and experience to steadily expand into asset classes including credit, private equity, and sustainable infrastructure. To date, BlueOrchard has invested more than USD 4bn across 70 emerging and frontier markets, enabling fundamental social impact. BlueOrchard Finance is a licensed Swiss asset manager authorised by the FINMA. Its Luxembourg entity is a licensed alternative investment fund manager (AIFM) authorised by the CSSF.

For more information about BlueOrchard Finance, visit: [www.blueorchard.com](http://www.blueorchard.com./)

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