



News release

BlueOrchard announces USD 150 million final closing of the IIF Debt Sub-fund

Zurich, 21 December 2020 – Swiss impact investment manager BlueOrchard Finance Ltd (“BlueOrchard”) today announced the final close of the InsuResilience Investment Fund (IIF) Debt Sub-fund (“the Fund”), a first of its kind initiative to improve access to climate insurance across the developing world. To date, the Fund has made 14 investments across emerging markets, helping to protect 25 million people in underserved and economically vulnerable communities to mitigate the effects of climate change. IIF’s goal is to reach between 90 and 145 million beneficiaries by 2025.

The G20/V20 InsuResilience Global Partnership aims to protect more than 500 million people in vulnerable communities in developing countries against the impacts of climate change. IIF is the only initiative under the Global Partnership that is investing private capital in private sector companies to help increase commercial climate insurance offerings. IIF, managed by BlueOrchard, was initiated by KfW, the German Development Bank, on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ).

The Fund lends to financial institutions and aggregators in order to facilitate adaptation to climate change by improving access to, and use of, climate insurance solutions in developing countries. Together with its portfolio companies and those in the Private Equity Sub-fund, the Fund is pioneering the development and distribution of micro and meso insurance products against extreme weather events and natural disasters. The value of IIF investments is further enhanced by designated technical and premium support funding.

IIF is a prime example of a successful blended finance strategy. It is structured as a public private partnership and has, building on the BMZ junior funding, attracted investments from established investors in both the public and private sectors including the European Investment Bank (EIB), DFC (U.S. International Development Finance Corporation), Bank of America, Calvert Impact Capital and CeniARTH LLC.

Philipp Müller, Chief Executive Officer at **BlueOrchard**: *“The InsuResilience Investment Fund is making a major contribution to improving the resilience of poor and vulnerable households, farmers and MSMEs in developing countries to the effects of climate change. We are proud to be managing this fund and we thank our investors for their trust and support.”*

Stefan Hirche, Principal Portfolio Manager at **KfW**: *“After closing the Private Equity Sub-fund earlier this year, we are pleased to having reached the next significant milestone. BlueOrchard has been a strong and reliable partner in scaling up this initiative.”*

Ambroise Fayolle, **European Investment Bank** Vice President, said *“The European Investment Bank is pleased to support BlueOrchard’s pioneering climate insurance initiative to contribute to protecting millions of people in vulnerable communities from a changing and more extreme climate. The InsuResilience Investment Fund demonstrates how global financial partners can work together to accelerate climate action and deliver on political priorities outlined by the G20.”*



James Polan, Vice President of the Office of Development Credit at **DFC**: *“DFC is proud to support this innovative and thoughtful approach to expanding opportunities for poor and climate-vulnerable populations to protect themselves against extreme weather events. Severe weather events disproportionately impact women, and we appreciate BlueOrchard’s thoughtful approach to incorporate gender into its decision making to ensure that women are not left behind.”*

Daniel Ford, Investment Officer at **Calvert Impact Capital**: *“BlueOrchard’s InsuResilience Investment Fund will help drive growth of the global climate insurance market and expand the delivery of critical, affordable climate insurance products to some of the world’s most vulnerable populations, with a particularly positive impact on women.”*

“As part of our Blended Finance Catalyst Pool and our broader sustainable finance initiatives, this investment is another demonstration of how we are helping to advance the United Nations Sustainable Development Goals, while driving innovative financial solutions to address global issues like climate change,” said Dan Letendre, managing director for environmental, social and governance at **Bank of America**. *“The positive impacts of pairing climate insurance with these loans will help provide borrowers with financial stability and resilience as well as better access to funding during climate-related events.”*

Diane Isenberg, Founder at **CeniARTH**: *“Increasing the availability and reliability of climate insurance coverage is absolutely critical to safeguarding the livelihoods of vulnerable farming communities around the world. We are a proud partner of BlueOrchard in this innovative, integrated approach to delivering climate just solutions.”*

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About BlueOrchard Finance Ltd

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

About the InsuResilience Investment Fund

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

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