

I M I A

Inclusive MSME Insurance Accelerator

Expression of Interest & Proposal
September 15, 2021

Category: **Insurance Companies**

Managed by:



Promoting inclusive insurance for MSMEs in Egypt

**IMIA aims to support insurance companies
in the design, experimentation and roll-out of insurance products
that are more appropriate, affordable, accessible and
valuable to MSMEs in Egypt**



Introduction and Background

The Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH, GIZ is a service provider in the field of international cooperation for sustainable development and international education work, dedicated to shaping a future worth living around the world. GIZ has over 50 years of experience in a wide variety of areas, including economic development and employment promotion, energy and the environment, and peace and security.

GIZ works flexibly to deliver effective solutions that offer people better prospects and sustainably improve their living conditions. This is through partnering with national governments worldwide and cooperation partners from the worlds of business, research and civil society.

In line with this and the Promotion of Access to Financial Services for Small and Medium Enterprises (PAFSME) project, GIZ seeks to improve the financial services offered to MSMEs by non-banking financial institutions (NBFIs) to promote financial inclusion and improve stability. This is to support SMEs who are the backbone of a strong economy through the creation of job opportunities for millions. MSMEs in Egypt are faced with many challenges such as legal, regulatory issues, slow adoption of technology, poor financing options and limited access to financial products and services which hinder their growth and expansion. In response to these challenges GIZ will be offering support to relevant and selected actors in both the public and private sector. One of the ways GIZ will offer support is in promoting insurance for SMEs and their employees by supporting selected insurance companies and insurtechs in enhancing their insurance offerings for MSMEs.

Motivation

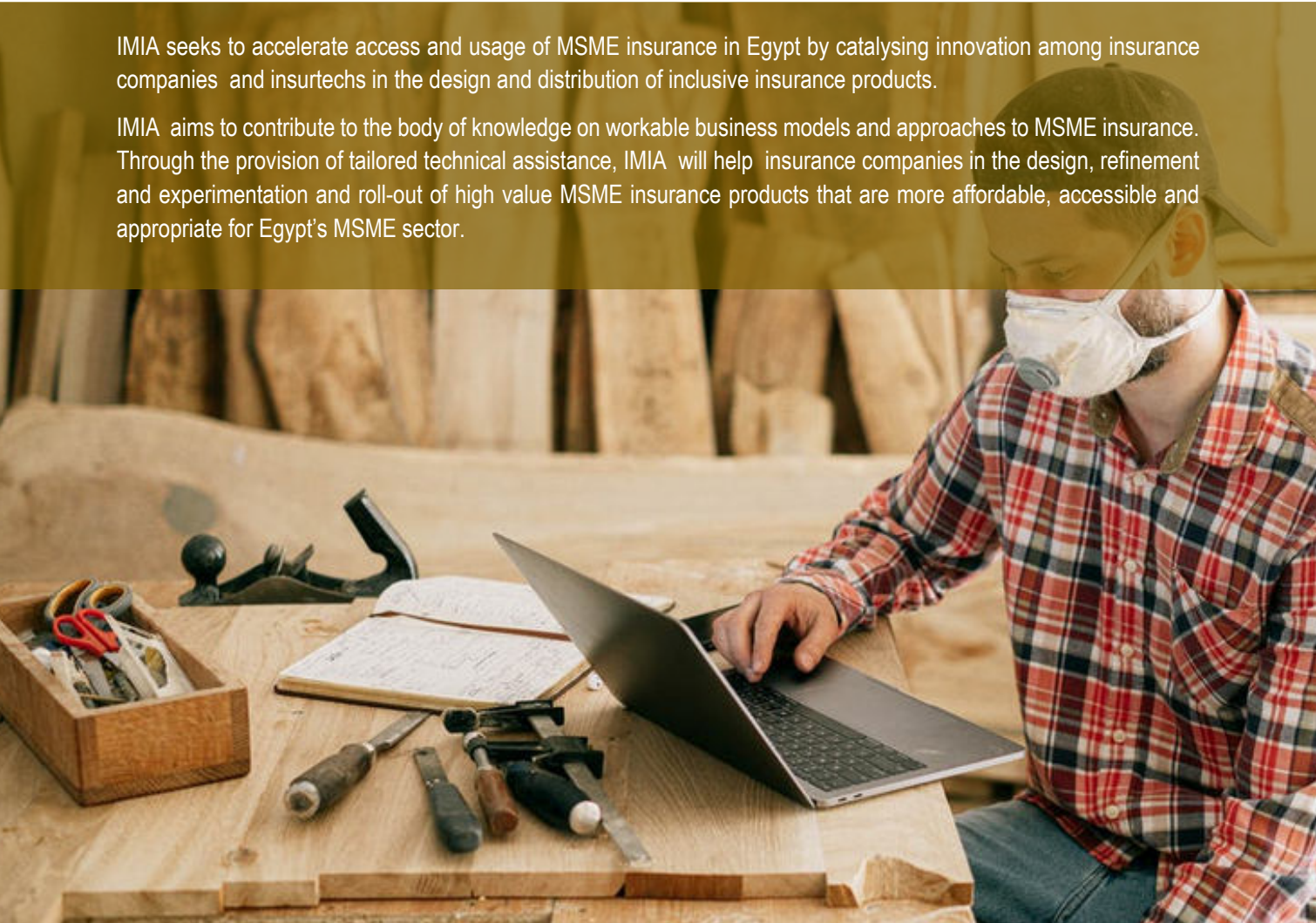
Micro, Small and Medium Enterprises (MSMEs) in Egypt contribute to the economic growth, job creation and livelihoods of a large segment of the population. However, they often face various risks that affect their financial performance and success. Unfortunately they are among the underserved market segments with insurance and rely on costly and ineffective coping strategies. If well designed and distributed appropriately, insurance can address their risk management needs and improve enterprise performance and reduce vulnerability. GIZ Egypt's PAFSME project is pleased to launch the Inclusive MSME Insurance Accelerator (IMIA).

About IMIA

IMIA, an initiative by GIZ Egypt, is a new innovation support facility to stimulate more client-sensitive and effective insurance services for MSMEs in Egypt. As an inclusive development initiative, IMIA uses direct consumer interactions and insights to develop new or enhance existing inclusive insurance offerings for MSMEs.

IMIA seeks to accelerate access and usage of MSME insurance in Egypt by catalysing innovation among insurance companies and insurtechs in the design and distribution of inclusive insurance products.

IMIA aims to contribute to the body of knowledge on workable business models and approaches to MSME insurance. Through the provision of tailored technical assistance, IMIA will help insurance companies in the design, refinement and experimentation and roll-out of high value MSME insurance products that are more affordable, accessible and appropriate for Egypt's MSME sector.



Support categories

This facility has the following support categories:



1. Enhancing client value in inclusive MSME insurance

IMIA supports the notion that what constitutes a good product is more than simply low premiums and limited benefits. Using human centered design (HCD) techniques, innovations around benefit design based on insights from targeted MSMEs have the potential to improve client value and ultimately uptake and performance of MSME insurance products.

2. Improving delivery and distribution models for inclusive MSME insurance



IMIA is based on the notion that having a good insurance product is not enough, insurance companies need to invest in having the right delivery models and channels to get insurance products efficiently to targeted market segments. IMIA will therefore support innovative partnerships aimed at building effective and scaled-up distribution and sales solutions.



3. Improving operations and systems for inclusive MSME insurance

IMIA is based on the notion that having the right systems and institutional arrangements is critical for the success of inclusive insurance products. IMIA therefore seeks to provide technical assistance that aims to improve how an insurance company or insurtech delivers and manages inclusive insurance business.

Benefits to Participating Companies

Dedicated technical support for 5-6 months tailored to the needs of the selected companies aimed at either:

- improving your business case;
- understanding and profiling your market segment better;
- expanding your market reach and insurance penetration;
- improving your product offerings;
- developing new product offerings;
- enhancing your customer centric DNA or
- improving your systems and operations for inclusive MSME insurance.

Who can apply?



Licensed insurance
companies

- Individual or partnership proposals are welcome.
- Proposals from partnerships or consortiums should be accompanied by signed agreements or letters of intent.
- The deadline for submission of proposals in **Thursday 15th September 2021 at midnight Cairo time (GMT+2)**.
- Interested applicants are free to seek clarifications from the launch date to **Thursday 9th September 2021 at 5:00pm Cairo time (GMT+2)**.
- An application form is provided and should be completed in English and submitted via email to: imia@abconsultants.co.ke
- For any questions regarding the application form process, send an email to: imia@abconsultants.co.ke

How will proposals be evaluated?

All applications will be evaluated based on the following assessment grid:

1. Market orientation (Score weight = 20%)

- 1.1. Does the proposed project consider the risk management needs and characteristics of the MSMEs?
- 1.2. Does the proposed project aim to ensure that MSMEs understand what they are buying?

2. Market Reach (Score weight = 15%)

- 2.1. Does the proposed project have the potential to serve a large group of MSMEs?
- 2.2. Does the proposed project have the appropriate distribution model?

3. Feasibility and relevance (Score weight = 25%)

- 3.1. Is the proposed project feasible?
- 3.2. Can the project be implemented within the existing regulatory framework for inclusive insurance in Egypt?
- 3.3. Does the project have a realistic work plan and timelines?

4. Capability of applicant (Score weight = 20%)

- 4.1. Is the applicant legally registered and licensed to implement the proposed project?
Copies of certificates of incorporation and licenses that demonstrate this must be submitted. Applicants that are not legally registered and appropriately licensed in Egypt will not be considered.
- 4.2. Does the applicant have the capacity, technical expertise, commitment and incentives to manage and deliver on the proposed project?
- 4.3. Does the applicant have experience in designing and managing inclusive insurance products or solutions?

5. Value for money (Score weight = 20%)

- 5.1 What is the potential for sustainability of the project?
- 5.2 If the project succeeds, can it be replicated or scaled up?

Tips on what makes a good proposal

Being a competitive facility to select 3 insurance companies, each proposal is assessed on its merits and particularly as to whether it is presenting a viable idea or concept that would make MSME insurance affordable, appropriate and accessible to low-income consumers. Here are some key factors constitute a good proposal.

TIPS

1. Proposal with an innovative idea that fits within the three support categories.
2. Proposal within the overall goal of the IMIA; extending appropriate insurance products to un-served or under-served MSMEs.
3. Proposal with defined MSME segment(s)
4. Proposal that follows all guidelines.
5. Proposal with all the required templates completed in full.
6. Proposal with strong demonstration of the inclusive insurance business case as well as client value.
7. Proposal with strong demonstration of ownership, investment and commitment through institutional buy-in.
8. Proposal with strong demonstration of capacity or organisational structure to effectively manage the project
9. Proposal with strong interested aggregators for strategic partnership

Examples of potential support areas

Technical support will be tailored to the needs of the applying organisation. Here is a list of some examples. Applicants are free to propose other areas of support within the objectives of IMIA and support categories.

Products

- Design and pilot testing of new products or improvement and scaling up of existing products that respond to the risk management needs of MSMEs (with HCD application);
- Creating new mechanisms for premium collection to enhance efficiency or accessibility;
- Testing new approaches to streamline or enhance systems and improve service delivery, customer care and claims management;
- Using technology for instance point of sale devices, mobile phones and other technology applications to scale delivery of insurance to MSMEs;
- Applying new pricing techniques and mode of premium payments to make insurance affordable to MSMEs.

Distribution models

- Experimenting with new delivery channels and alliances between different actors;
- Improving functionality, specialisation and linkages between actors with the MSME insurance value chain;
- Improving information systems to strengthen the relationship between insurance companies and distribution channels;
- Design and testing a digital solution for inclusive MSME insurance.

Systems, Strategies and Organisational capacity

- Developing marketing strategy for MSME insurance;
- Developing a Go-To-Market strategy for an MSME insurance product;
- Developing effective customer care and client education materials for MSME insurance;
- Developing an appropriate operational structure, staff incentive structures with a view to achieve more scale with MSME insurance.



Please note:

- IMIA is a Technical Assistance Support Facility.
- **The language for communication is English.**
- Due to covid travel restrictions, technical assistance will be provided virtually to selected companies.
- **Willingness and interest to cooperate with GIZ Egypt's PAFSME project team is a required.**
- Time and effort commitment to implement agreed action plans is required for selected companies.
- **Proposals must be submitted via email in English to: imia@abconsultants.co.ke**

Evaluation Process and Timelines

The process will involve the following three stages:



The evaluation of applications will be undertaken by a panel from consultants from AB Consultants and FinProbit Solutions. While the timeframe of the evaluation process largely depends on the completeness and quality of proposals received, the evaluation panel is committed to adhere to the reflected timelines. Within the evaluation period, should additional information or meetings with shortlisted applicants be required, a panel representative will get in touch with the applicant.

The evaluation of proposals under the IMIA is through a competitive bidding process and only promising and selected proposals will be supported. The IMIA is under no obligation to support any proposal that does not pass the set criteria and competitive process.

Implementation

Selected organisations will receive technical assistance over a 5-6 months period and must be committed to provide the necessary human resources to implement recommendations resulting from the technical assistance and coaching offered by the consultants.



For more details contact:

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**For application related inquiry
and clarifications contact:**

Email: imia@abconsultants.co.ke



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