



EUROPEAN MICROFINANCE AWARD 2025

Building Resilience through Inclusive Insurance



Concept Note & Award Guidelines

The European Microfinance Award 2025 highlights organisations that **enable low-income and vulnerable people to build resilience and manage risk thanks to inclusive and effective insurance.**

Organised by:



In partnership with:



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Understanding risk and why insurance matters

Vulnerable and low-income populations face numerous risks that threaten their financial stability and overall well-being. Economic shocks, such as inflation, job losses, or sudden changes in market conditions, can quickly erode limited savings and push families deeper into poverty. Health crises, whether from pandemics, chronic illnesses, or unexpected medical emergencies, place a significant financial burden on households with little or no access to affordable healthcare. Additionally, climate change and extreme weather events—such as floods, droughts, and hurricanes—disproportionately impact those living in precarious conditions, destroying homes, livelihoods, and food sources. It is estimated that climate-related disasters displace over 30 million people globally each year, with low-income communities bearing the brunt. The lack of social safety nets further exacerbates the challenges, leaving many without the necessary means to recover from these shocks.

Traditionally, low-income populations have relied on informal coping mechanisms to manage risks. Savings, though crucial, are often inadequate to cover large-scale emergencies, and many struggle to save consistently due to daily financial constraints. Informal networks, such as family and community support, provide some assistance, but these resources can be unreliable or insufficient during widespread crises.

While these traditional methods play an important role, they are not enough to provide long-term financial resilience. A more structured approach to risk management is necessary, and insurance is a key ingredient in any solution. By providing financial protection against unforeseen events, insurance helps low-income households mitigate losses, recover more quickly, and build resilience against future shocks. Insurance can also empower individuals to approach life with greater confidence, enabling better planning, investment, and financial stability in the face of uncertainty. Expanding access to affordable and tailored insurance products is essential to ensuring sustainable economic security and resilience for vulnerable communities.

Nevertheless, insurance rarely tops people's shopping lists, especially when its benefits are not always understood or when disposable income is tight. Compounding this, many potential clients prefer to avoid thinking about or planning for negative events, and the perception that paying premiums feels like a waste if no claims are made further deters interest. It's no wonder that most insurance is mandatory, not voluntary, and there are many barriers to overcome for providers to make the case for people to choose insurance. Indeed, a widespread industry aphorism is that "insurance is not bought, it's sold".

What is inclusive insurance?

Inclusive insurance refers to insurance products designed to be accessible, affordable, and tailored to the needs of low-income populations who are often excluded from traditional insurance markets. Unlike conventional insurance, which typically requires extensive documentation and regular premium payments, inclusive insurance is structured to accommodate individuals with irregular earnings, limited financial literacy, and lower ability to pay. It often features flexible premium payments, simplified enrolment systems, and coverage that aligns with the specific risks faced by marginalised communities, such as health emergencies, crop failures, or climate-related disasters. The goal of inclusive insurance is to extend financial protection to those who would otherwise remain uninsured, helping them manage risks more effectively.

The Landscape of Microinsurance - A Snapshot

Over the past decade, the microinsurance sector has experienced significant growth, evolving from niche offerings to more comprehensive and diverse products tailored to the needs of low-income populations. According to the recently published 2024 [Landscape of Microinsurance](#), conducted by the Microinsurance Network, insights were gathered from 294 insurers in 37 countries offering just under 1,000 products across health, life, agriculture, and property sectors. These products extended coverage to an estimated 344 million individuals across Africa, Asia, Latin America, and the Caribbean, which has grown from just over 331 million in 2023. For insurance providers, these products represent revenues of USD 6.2 billion in written premiums, up from USD 5.8 billion in 2023.

Nevertheless, there remains a significant protection gap, which represents an important opportunity for insurers. The estimated market for microinsurance in the countries included in the study is almost 3 billion people, representing a potential market of approximately USD 41 billion in microinsurance premiums. Those covered through the products reported in the study represent just 12% of that target population, and just 15% of the total estimated value of the market. This leaves a huge unserved market, indicating a pressing need to close the protection gap, as well as a major business opportunity for insurers.

Inclusive insurance can take many forms, adapting to the specific risks faced by vulnerable populations and the context within which they live. That said, inclusive insurance products can be divided into **two main categories: Indemnity products and index-based/parametric products.**

Indemnity products are probably the most common and the ones everyone is most familiar with. It is essentially an insurance product designed to compensate the policyholder for the financial losses incurred due to a covered event. They often follow the basic structure of typical insurance schemes (e.g., life & disability insurance, health insurance, etc.). But some of the more innovative examples of inclusive insurance go further, and try to address the challenges that make insurance more a supply- than demand-driven product – especially for low-income households.

Examples of these include:

- **Life insurance coupled with health cover:** This product not only provides a death benefit to beneficiaries but also includes a lump-sum payout if the policyholder is diagnosed with a critical illness, helping cover medical expenses and income loss during recovery.
- **Health insurance coupled with additional services:** Beyond covering hospital cash (pay-outs for the number of days spent in a hospital), this product offers other benefits such as free health check-ups and preventive care services to promote overall well-being.
- **Business interruption insurance for MSMEs with risk management support:** In addition to compensating for lost income and operational costs due to certain disruptions (flood, fire, etc.), this product can also provide access to business training, disaster recovery planning, and cybersecurity services to help businesses mitigate future risks.

Index-based/parametric insurance is a type of coverage where payouts are triggered by predefined indices, satellite data, or other measurable events, such as rainfall levels, temperature, seismic activity, wind speed, or crop yields, rather than actual individual losses. It simplifies claims processing, reduces administrative costs, and minimizes moral hazard, making it particularly useful for covering risks like agricultural losses or natural disasters in a transparent and efficient manner.

Examples of these include:

- **Agricultural rainfall index insurance:** This product uses rainfall data from weather stations or satellite data to trigger payouts. If rainfall levels fall below a predefined threshold during a critical growing season, farmers receive compensation, helping them recover from drought-related losses.
- **Heat stress index insurance for livestock:** This product uses a heat index (combining temperature and humidity) to determine payouts. If the heat index exceeds a predefined threshold for a certain number of consecutive days, livestock farmers receive compensation to cover losses from reduced productivity or livestock mortality due to heat stress.

- **Flood parametric insurance for homeowners:** This product uses river water levels or rainfall accumulation data as the trigger. If water levels exceed a predefined threshold or rainfall reaches a certain volume within a specified timeframe, homeowners in flood-prone areas receive an automatic payout to cover damages, allowing for quick recovery without the need for lengthy claims processes.

These examples demonstrate that inclusive insurance can be tailored to various needs, offering a flexible and practical approach to risk management for those who need it most.

Challenges in implementing inclusive insurance initiatives that work for clients

While inclusive insurance provides vital protection for vulnerable populations, it also comes with significant challenges that hinder its effectiveness and widespread adoption.



One of the most significant barriers to inclusive insurance is **affordability**, as even low premiums can be a burden for low-income individuals who often face irregular income streams and competing financial priorities. To address this, insurers can introduce flexible payment options, or linking premium payments to their cash flow. Additionally, partnerships with mobile money platforms enable convenient and low-cost transactions. And lastly, bundling insurance with other services, such as agricultural inputs or loans, and offering subsidies through collaborations with governments or NGOs further reduce costs, increasing the perceived value of the insurance while also making it more accessible to those who need it most.

Accessibility is another issue as many underserved communities lack the physical infrastructure or distribution channels needed to access insurance products. To overcome this, insurers are leveraging digital platforms, such as mobile phones and apps, to reach remote areas where traditional brick-and-mortar offices are impractical. Collaborations with local organisations, cooperatives, or community groups help bridge the gap by using trusted intermediaries to distribute products. Innovative delivery methods, such as pay-as-you-go models or integrating insurance with existing services (e.g., seed purchases or healthcare), also improve accessibility and ensure that insurance reaches those in need.



Low awareness of how insurance works and a **lack of trust** in insurers—often due to concerns about claim denials or lack of transparency—pose significant challenges to adoption. To tackle this, insurers can launch targeted education campaigns that use simple, culturally relevant messaging to explain the benefits of insurance. Building trust is also achieved by mitigating the risks of aggressive mis-selling, ensuring transparent claims

processes, providing clear documentation, and honouring payouts promptly. Another very effective way of overcoming the trust issue is to partner with trusted local entities, such as community leaders, NGOs, or other local organisations, which helps endorse and distribute products, increasing credibility and acceptance among potential beneficiaries.

Furthermore, it is not always easy for insurers to ensure long term **viability** and **sustainability** when serving low-income populations. To ensure sustainability, insurers are developing **innovative business models**, such as index-based or parametric insurance, which reduce administrative costs and streamline claims processing. **Data analytics and technology** are also being used to better assess and manage risks, improving efficiency. And last but not least, public private partnerships help share risks and costs, making it financially feasible to serve vulnerable populations while maintaining profitability.

How insurance fits into the inclusive finance ecosystem

Inclusive insurance complements other financial services by providing a safety net that enhances financial stability and resilience. When combined with savings, insurance helps individuals preserve their funds for long-term goals rather than depleting them in times of crisis. It also works alongside credit, as lenders are more willing to extend loans to individuals and businesses with insurance coverage, reducing the risk of default. Additionally, remittances—a key income source for many low-income households—can be leveraged to pay premiums, ensuring continuous coverage without disrupting daily expenses.



By **integrating insurance into the broader financial ecosystem**, individuals and families can build stronger financial foundations, breaking the cycle of poverty and fostering sustainable economic growth. For financial inclusion efforts to be truly effective, insurance must be viewed not as a standalone product but as a critical component of a well-rounded financial and risk mitigation strategy.



Partnerships play a crucial role in the success of inclusive insurance, particularly in reaching underserved communities. One of the most effective distribution channels of insurance products is FSPs, and more particularly microfinance institutions (MFIs), which have deep roots in low-income communities, established trust, and extensive networks. By integrating microinsurance products into their existing portfolio of services, MFIs make it easier for clients to access insurance alongside savings and credit. Their close relationships with clients also help build awareness and trust in insurance products, addressing common barriers like scepticism and low financial literacy.

Another example of a partnership model includes an insurer, an agri-tech company, and local cooperatives who collaborate to distribute parametric insurance to smallholder coffee farmers, protecting them against climate risks like drought or excessive rainfall. The agri-tech company provides satellite data and weather indices to trigger automatic payouts, while the cooperatives serve as on-the-ground intermediary, educating farmers and facilitating enrolment. The insurer designs the product and manages the risk, leveraging the agri-tech company's expertise in data and the cooperatives' deep community connections. While the model requires aligning technology, local knowledge, and distribution channels, it effectively combines innovation with grassroots outreach.

In another example, an insurer, a broker, and a community-based healthcare provider collaborate to distribute inclusive health insurance to low-income families. The broker designs affordable, easy-to-understand health insurance products tailored to the needs of the community, such as coverage for outpatient care or hospitalisation. The healthcare provider integrates the insurance into its services, educating patients about the benefits and facilitating enrolment during medical visits. And the insurer underwrites the risk and manages claims. This model leverages the healthcare provider's trusted relationship with the community, making health insurance more accessible to underserved populations.

These partnership models demonstrate the power cross-sector collaboration can have on bridging the gaps between insurers and vulnerable communities, enhancing accessibility, building trust and ultimately improving resilience with insurance.

Eligibility criteria

- Eligible applicants are organisations working in the inclusive insurance sector. This includes, but is not exclusive to, (re)insurers, microfinance or other financial institutions, InsurTech companies, insurance agents/brokers or other entities that either *directly* provide insurance to vulnerable and low-income clients, or work with other partners that do so.
- Eligible organisations have to be based and operate in a Least Developed Country, Low Income Country, Lower Middle Income Country or an Upper Middle Income Country as defined by the Development Assistance Committee (DAC) for ODA Recipients. A list of Eligible Countries of ODA Recipients as defined by the DAC can be found [here](#).
- Eligible applicants must have been fully operational for at least two years. At least one of the organisation's insurance initiatives needs to have been operational for at least one year.
- Prior winners of the European Microfinance Award may not submit applications for projects or initiatives that are the same or similar to the one for which they previously won.
- Institutions that won the European Microfinance Award in 2020 or later are not eligible to apply in the 2025 edition.

e-MFP / MiN member support

Every applicant invited to apply for Round 2 (please see section 'Award timeline and process') must provide written support from an e-MFP or MiN member, e.g. a short message or a letter from the member addressed to the e-MFP Secretariat. See [here](#) the list of e-MFP members and [here](#) the list of MiN members.

How to apply

Applications must be **submitted online** on the Award website:

<http://www.european-microfinance-award.com/>

The Award is launched in three languages: **English, Spanish and French**

EMA 2025 Application Guidance Sessions

There will be three Application Guidance sessions (one in each of the Award languages) in order to go over the EMA process and reply to any questions that applicant organisations may have.

- **English** session: 25th March, 10h00 CET. [Register here](#)
- **Spanish** session: 25th March, 16h00 CET. [Register here](#)
- **French** session: 26th March, 16h00 CET. [Register here](#)

The session recordings will be posted on the EMA website and e-MFP website.

EMA 2025 Contact

If you have any questions or need any assistance, please don't hesitate to contact us:

emaward@e-mfp.eu

Award timeline & process

AWARD LAUNCH	12th MARCH 2025
Round 1 - Deadline for applications	10th April 2025, 23:59 pm CET
Communication to shortlisted applicants	First half of May
Round 2 - Deadline for applications	End May - early June
Preselection Committee Phase	June – August
Selection Committee Phase	September
Announcement of finalists and semifinalists	Beginning of October
High Jury Phase	November
Winner announcement at Award Ceremony	13th November 2025

Round 1 Application phase

Organisations interested in applying are required to submit the short Round 1 application form outlining the programme they are presenting to the Award and provide their audited financial statements.

Selection for Round 2 will be based on verification of applicant eligibility and initial assessment of the relevance, quality, and effectiveness of the programme presented in Round 1.

Round 2 Application phase

Applicants successfully selected for Round 2 will be invited to complete the Round 2 application form explaining the programme in greater detail, as well as providing supporting documentation.

These applicants will also be required to submit an e-MFP / MiN member support letter. For applicants successfully selected for Round 2, but who do not have a relationship with an existing e-MFP member, the e-MFP Secretariat will assist in connecting with a member at that stage.

Preselection Committee Phase

Applicants will be evaluated by the Preselection Committee on the basis of the relevance and effectiveness of the programme presented in addressing the specific goal of the award, their financial performance and the quality, clarity and transparency of the application.

Selection Committee Phase

Preselected applicants will be evaluated by the Selection Committee in order to select 7 to 10 semi-finalists and from among those, the 3 finalists.

High Jury Phase

A High Jury selects the winner from among the three finalists.

Winner announcement

The winner is announced at the Award ceremony on 13th November 2025. The Award ceremony takes place during the European Microfinance Week, 12th – 14th November 2025. In previous years the Award has been presented by HRH The Grand Duchess of Luxembourg and the Luxembourg Minister of Foreign and European Affairs, Defence, Development Cooperation and Foreign Trade.

Winner follow up report

The Award winner will be requested to provide a follow up report by the 31st of January 2027 describing how the Award funds were used.

Important information

During both Rounds, applicants might be contacted and asked to supply additional information on a case-by-case basis if deemed necessary.

All the information provided during the application process will be treated as confidential and only be used for the purposes of the Award.

The Organisers regret that information relating to the on-going evaluation of applications will not be released.

The judges' decision is final and not subject to appeal. Neither the judges nor the organisers will enter into any correspondence relating to the decision.

The three finalists will be invited to attend the Award Ceremony and agree to ensure the presence of a senior management representative of the Applicant organisation at the Award ceremony. If applicable, travel costs will be covered by Award organisers.

Award benefits

WINNER

- €100,000 (one hundred thousand Euro)
- Winner's Certificate
- Short video highlighting the winner's programme produced at the organisers' expense¹; it will be featured during the Award Ceremony and available online afterwards
- Two press releases (September and November), circulated worldwide
- Media coverage by the Award organisers' partners as well as by media covering the Ceremony and the European Microfinance Week
- Attendance at the Award Ceremony with travel and lodging covered by the organisers, if applicable
- Two free registrations to the European Microfinance Week, one of the top events of the financial inclusion calendar
- Programme presented for the Award featured in communications and in the Award publication

FINALISTS

- €10,000 (ten thousand Euro)
- Finalist's Certificate
- Short video highlighting the finalist's programme produced at the organisers' expense²; it will be featured during the Award Ceremony and available online afterwards
- One press release (September), circulated worldwide
- Media coverage by the Award organisers' partners as well as by media covering the Ceremony and the European Microfinance Week
- Attendance at the Award Ceremony with travel and lodging covered by the organisers, if applicable
- Two free registrations to the European Microfinance Week, one of the top events of the financial inclusion calendar
- Programme presented for the Award featured in communications and in the Award publication

SEMI-FINALISTS

- Semi-finalist Certificate (electronic version)
- One press release (September), circulated worldwide
- Programme presented for the Award featured in the Award publication

All applicants participating in Round 2 will receive a Certificate of Participation

¹ Note: This short video is produced independently by the Award organisers; applicants agree to have their organisation and programme featured in it.

² Ibid.

About the European Microfinance Award

The European Microfinance Award is a prestigious annual award with €100,000 for the winner and €10,000 for the runners-up, which attracts applications from organisations active in financial services around the world that are innovating in a particular area of financial inclusion. It serves two parallel goals: rewarding excellence, and collecting and disseminating the most relevant practices for replication by others.

The Award was launched in 2005 by the Luxembourg Ministry of Foreign and European Affairs, Defence, Development Cooperation and Foreign Trade. It is jointly organised by the Ministry, the European Microfinance Platform (e-MFP), and the Inclusive Finance Network Luxembourg (InFiNe.lu), in cooperation with the European Investment Bank (EIB).

The Award is presented in a ceremony which in the past has been in the presence of Her Royal Highness the Grand-Duchess of Luxembourg and the Luxembourg Minister of Foreign and European Affairs, Defence, Development Cooperation and Foreign Trade. The ceremony takes place during the European Microfinance Week.

Previous editions and winners

2024, Advancing Financial Inclusion for Refugees & Forcibly Displaced People - *RUFI* (Uganda), for its innovative financial services and advocacy, providing diverse loans, business incubation, and local leadership initiatives to support refugees and farmer cooperatives.

2023, Inclusive Finance for Food Security & Nutrition - *Yikri* (Burkina Faso), for its financial products and support services specifically designed for the most vulnerable groups, particularly women, forcibly displaced people, rural smallholders and young people.

2022, Financial Inclusion that Works for Women - *Banco FIE* (Bolivia), for its holistic approach to financial inclusion for women including via its *Marca Magenta* programme to promote women's professional development within the organisation.

2021, Inclusive Finance and Health Care - *Fonkoze* (Haiti), for its *Boutik Santé* initiative to train clients as Community Health Entrepreneurs to conduct basic health screenings, deliver health education sessions, and procure health products.

2020, Encouraging Effective & Inclusive Savings - *Mukthinath Bikas Bank* (Nepal), for its adapted solidarity group savings model with doorstep services, including dedicated pension and insurance savings products, alongside extensive financial education.

2019, Strengthening Resilience to Climate Change - *APA Insurance* (Kenya), for its Index Based Livestock Insurance (IBLI) and Area Yield Index Insurance (AYII) for pastoralist and smallholder farmers

2018, Financial Inclusion through Technology - *Advans Côte d'Ivoire* (Ivory Coast), for its digital savings and payment solutions for cocoa farmers and cooperatives, and their small digital school loans for farmers

2017, Microfinance for Housing - *Cooperativa Tosepantomín* (Mexico), for its holistic housing programme serving rural communities and promoting environmental responsibility

2016, Microfinance and Access to Education - *Kashf Foundation* (Pakistan), for its programme to serve

low-cost private schools

2015, Microfinance in Post-disaster, Post-conflict Areas & Fragile States - *Crédit Rural de Guinée S.A* (Guinea), for its innovative response to the Ebola outbreak in Guinea

2014, Microfinance and the Environment - *Kompanion* (Kyrgyzstan), for its Pasture Land Management Training Initiative

2012, Microfinance for Food Security - *ASKI* (The Philippines), for serving smallholder farmers and fostering effective market linkages

2010, Value Chain Finance - *Harbu* (Ethiopia), for its initiative financing a soybean value chain

2008, Socially Responsible Microfinance - *Buusaa Gonofaa* (Ethiopia), for the development of its client assessment system

2006, Innovation for Outreach - *The Zakoura Foundation* (Morocco), for its rural tourism programme