

Climate change consulting practice

MSC (MicroSave Consulting)

The world's local expert in financial, economic,
and social inclusion in the digital age

September, 2020



We are MSC

The world's local expert in social, financial, and economic inclusion

- MSC is a boutique consulting company that drives financial, economic, and social inclusion by partnering with participants in digital ecosystems.
- We work with our clients and partners across the globe to achieve sustainable performance improvements and unlock enduring value.
- With our support, you can seize the digital opportunity, address the mass market, and future-proof your operations.



International financial, social, and economic inclusion consulting firm with **20+** years of experience



180+ multilingual staff in **11** offices around the world



Projects in **~65** developing countries

325+
Clients

Over 850
Publications

Helped develop digital G2P services used by
875 million+
people

Implemented
>850 DFS projects

275+ financial inclusion products and channels that
55 million+ people
now use

Trained 9,000+
leading specialists
globally

Our focus sectors

Providing impact-oriented business consulting services

MSC has a strong reputation for high-quality work with a wide range of institutions. Over the past 20 years, we managed more than 3,500 projects in over 50 developing countries. Our experts come from a variety of fields and can help you gain the critical edge in a competitive market.



Agriculture and allied services



Banking, financial services, and insurance (BFSI)



Government and regulators



Micro, small, and medium enterprise (MSME)



Social payments and refugees



Gender and youth



Education and skills



Digital and FinTech



Water, sanitation, and hygiene (WASH)

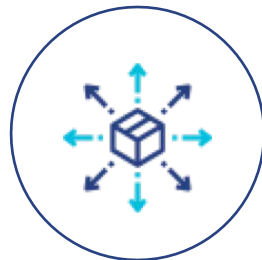
Multi-faceted expertise

Advisory that helps you succeed in a rapidly evolving market

MSC helps you gain a deep understanding of your clients, their needs, aspirations, perceptions, and behavior. We leverage the opportunities of the digital age to help you create a better, more efficient, and profitable business that focuses on your customers and markets.



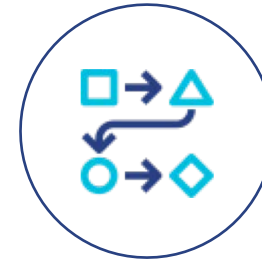
Policy and strategy



Products and channels



Research and analytics



Organizational transformation



Digital technology and channels



Design thinking and innovation



Marketing and communication



Training



Government and regulations and policy

Our clients and partners

We work with a range of organizations to build enduring change

Our clients, funders, and partners include influencers and decision-makers among financial service providers. We also work with governments and other stakeholders.

Government agencies	Foundations	FinTechs & AgTechs
Regulators	Multilateral organizations	Bilateral organizations
Microfinance organizations	Mobile network operators	Banks
Industry networks	Research centers & think tanks	Cooperatives





**MSC climate change
consulting practice**



Our perspective

Achieving universal financial, social, and economic inclusion demands the integration of climate change considerations in the design principles of development interventions

Our focus and expertise support supply and demand-side solutions and drive behavioral change among people for adaptation and resilience toward climate change.



Financing disaster resilience and recovery



Universal access to clean energy



Climate change responsive agricultural practices



Climate change-induced risk mitigation and transfer



Climate-smart policy and strategy



MSME-led sustainable and circular economy



Climate change responsive livelihoods




Digital delivery of disaster relief



Capacity development toward climate change resilience

An overview of our footprint in climate change consulting

We have led diverse strategic and operational engagements across Asia and Africa

Technical advisory and implementation	Market insights and knowledge dissemination	Program review and evaluation	Clients and Partners
<ul style="list-style-type: none">▶ Formulation and execution of a market entry plan for one of the largest “pay-as-you-go” distributed solar product company that has provided clean energy access to 0.75 million households in Africa.▶ Design, development, and implementation support to innovative agriculture and disaster insurance products linked to climate change, potentially benefitting 15.88 million small agricultural lands across East Africa and 15,000 MSME units in the Philippines alone.	<ul style="list-style-type: none">▶ Dissemination of market insights on disaster risk transfer products (micro-retail and MSME) across South and Southeast Asia, engaging policymakers, market stakeholders, and development agencies. This led to a 43% growth in the available active risk transfer programs, from 2012 to 2018. 80% of these are micro-insurance programs and 8% are for MSMEs.▶ Preparation of a guidance note on the utilization of the Indian microfinance ecosystem to drive the adoption of clean energy, leading to solar lamp financing, whose annual value and volume in the recent years are USD 55 million and 2 million units, respectively.	<ul style="list-style-type: none">▶ Consultative review of the strategy and implementation of a program to enable more than 4,500 East African MSMEs engaged in renewable energy solutions to raise institutional debt worth USD 136 million and create 12,000 jobs in the renewable energy sector.▶ Consultative assessment of the implementation of a subsidized LPG distribution program to reduce CO2 emissions caused by burning firewood and biomass in marginal households across India. The program drove the adoption of LPG in 80 million households.	<p>Clients and Partners</p>  <p>and many more...</p>

Our flagship projects in Asia



Market insights and knowledge dissemination on financing access to clean energy in India

The World Wildlife Fund engaged MSC to develop and disseminate actionable insights on the role of finance to drive the adoption of clean energy in rural India. MSC developed a guidance note and conceptualized the role of microfinance institutions (MFIs) in driving the adoption of clean energy. Through the adoption of the delivery and financing model outlined in the guidance note, Indian MFIs financed 2 million solar lamp units worth USD 55 million in FY 2017-18.



Technical advisory to develop financial solutions to mitigate disaster risk

The Regulatory Framework Promotion of Pro-poor Insurance Markets in Asia (RFPI-Asia), implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), engaged MSC to help understand the scope of disaster risk transfer products and conceptualize such products to develop disaster resilience among micro, small, and medium enterprises (MSMEs) in Philippines. With the help of MSC's cutting edge product development tools, the solutions were implemented in early 2019 and 15,000 MSME units across the country were enrolled under the pilot.



Consultative assessment of India's PMUY to reduce the dependence of marginal households on polluting fuel sources

The Ministry of Petroleum and Natural Gas, Government of India (MoPNG, GoI) engaged MSC to assess the implementation status and adoption level of its subsidized LPG delivery program called Pradhan Mantri Ujjwala Yojana (PMUY). A year after the launch of PMUY, MSC identified and recommended interventions to overcome financial, operational, and behavioral barriers that stifled the permanent adoption of LPG. The program has so far successfully enrolled 80 million marginal households. At this scale, even a 30% permanent switchover to LPG will reduce CO₂ emissions by an estimated 5.34 million metric tons annually.

Our flagship projects in Africa



Technical advisory to develop NDVI-based digital microinsurance for an Ethiopian FinTech company

Kifiya Financial Technology PLC is an Ethiopia-based payment service provider. In 2016, MSC extended technical advisory and capacity building support to Kifiya. This enabled it to translate the idea of an NDVI data-based digital crop insurance into a product. The program secured government support for training more than 100,000 farmers in 2017. It also secured the commitment to a direct premium subsidy for more than 200,000 farmers in 2018-19.



Feasibility study of a crop microinsurance product aimed at Tanzanian smallholder farmers

Alliance for a Green Revolution in Africa (AGRA) engaged MSC to conduct a feasibility study of crop insurance products to develop resilience and adaptation among smallholder farmers in Tanzania. AGRA accepted the recommendations of MSC and forged partnerships with Tapbds Co Ltd and Reliance Insurance Limited Tanzania to launch a project named Wekeza Kwa Uhakika (WEKU). The objective of WEKU is to enroll 20,000 smallholder farmers in the Ruvuma and Njombe regions of the country.



A consultative review of the program that drives financial access to MSMEs in the clean energy sector

Energy 4 Impact (E4I) manages several programs in East Africa to utilize energy access to combat poverty. E4I engaged MSC to undertake a review of its Capital Access for Renewable Energy Enterprises (CARE2) and Developing Energy Enterprises Programme (DEEP) programs. This led to institutional debt mobilization of USD 136 million for more than 4,500 MSME units and the creation of more than 12,000 jobs in the renewable energy sector.



Engagement summaries



An assessment of India's flagship LPG distribution program

Consultative assessment of a subsidy-backed LPG distribution program to drive the adoption of alternatives to polluting energy sources



The challenge

The Ministry of Petroleum and Natural Gas (MoPNG), Government of India launched the Pradhan Mantri Ujjwala Yojana (PMUY), to address the need for clean cooking fuel for 50 million households, especially in rural and remote areas. Toxic fumes, including carbon monoxide and carbon dioxide, produced from burning firewood, kerosene, and peat are a major threat to human health. Household emissions also contribute to the increase in greenhouse gases in the atmosphere, though their share is smaller as compared to other sources of CO2 emissions. The program offered a direct cash subsidy to incentivize a permanent shift from polluting cooking fuels to LPG.

The challenge for MoPNG was not only to reach the initial target of 50 million beneficiaries but also to ensure behavior change, leading to the adoption of LPG as a permanent alternative to polluting cooking fuels.

Our engagement

MSC assessed the implementation in three phases from 2016 to 2018. The research team interviewed 574 PMUY beneficiaries across 124 villages and 44 districts in India.

The assessments enabled MSC to:

- ▶ Understand the behavioral triggers that enable the adoption of a cleaner energy source
- ▶ Identify the deterrents that prevent the regular refilling of LPG cylinders
- ▶ Identify the reasons for continued co-existence of LPG and unclean fuels
- ▶ Determine the impact on gender equilibrium, as women are the primary beneficiaries of the program
- ▶ Recommend measures to MoPNG to ensure the continued usage of LPG cylinder and permanent abolition of polluting cooking fuels

Clients and partners



Outcomes and impact

- ▶ MSC's recommendations were published as a policy brief that was presented to the key stakeholders.
- ▶ The Ministry accepted MSC's recommendation after Phase-I of the study and commenced the nationwide LPG safety campaign targeted to PMUY beneficiaries. It removed some of the operational barriers that affect the supply of LPG.
- ▶ The interventions helped the program surpass the initial target of 50 million beneficiaries to reach 80 million rural households by 2019. At this scale, MSC estimates that even a 30% permanent switchover to LPG will reduce CO2 emissions by 5.34 million metric tons annually.

Product feasibility study for crop microinsurance

Determining the feasibility of delivering effective microinsurance products to paddy and maize smallholder farmers in Tanzania



The challenge

Smallholder farmers comprise more than 80% of the farming community in Tanzania. A little over 1.9% of their total farmland is irrigated. The combination of small landholdings, rainfed sources of water, and lower adoption of technology exposes smallholder farmers to the vagaries of weather. Over the past decade, climate change has exacerbated heat waves and droughts in Sub-Saharan Africa.

The challenge for Alliance for Green Revolution in Africa (AGRA), a pan-African institution was to develop resilience among smallholder paddy and maize farmers through risk transfer products. However, there were no suitable insurance products available in the market because most insurers did not find it feasible to serve smallholder farmers.

Our engagement

AGRA engaged MSC from April to June, 2018 to undertake a feasibility study around the delivery of crop microinsurance to smallholder paddy and maize farmers. The MSC team conducted thorough secondary and primary research by deploying both qualitative and quantitative research tools with the following objectives:

- ▼ Understand the features and benefits of crop microinsurance programs and products available in Tanzania
- ▼ Spot the nuances of services that different service providers offer
- ▼ Identify the sources of risks for paddy and maize crops managed by smallholder farmers
- ▼ Determine the level of risk of crop failure

Based on the positive inferences drawn from the feasibility study, MSC recommended AGRA to implement a crop microinsurance project.

Clients and partners



Outcomes and impact

- ▼ AGRA accepted MSC's recommendations and forged partnerships with Tapbds Co Ltd and Reliance Insurance Limited Tanzania to launch a project named Wekeza Kwa Uhakika (WEKU).
- ▼ In its initial phase, the project will improve the climate change resilience of smallholder farmers through crop insurance for 20,000 farmers in the Ruvuma and Njombe regions of the country.

The role of finance in enhancing access to clean energy in India

Market insights into the role of microfinance institutions as enablers of access to clean energy for rural India



The challenge

The World Wildlife Fund (WWF) identified that the exploitation of forest resources and the burning of wood for fuel as some of the key threats to the survival of the forest ecosystem and local biodiversity in India. It envisaged that transitioning people in remote rural India from wood-based fuel to clean energy would minimize deforestation and the threat to biodiversity. WWF also envisaged that access to clean energy might be limited in such communities because of the upfront cost of adoption.

The challenge for WWF was to validate its hypothesis through research and reach out to a community of financial institutions to support their objectives.

Our engagement

In 2014, MSC undertook a study based on the hypothesis formulated by WWF. It studied and documented the nuances of financing mass-market clean energy solutions.

The study involved a range of stakeholder interviews including microfinance institutions, banks, NGOs, clean energy solution providers, and sectorial experts.

The result of the study was an exhaustive guidance note on financing access to clean energy by pivoting the distribution prowess and financial strength of the grassroots financial organization.

Clients and partners



Outcomes and impact

- ▶ The delivery and financing model outlined in the guidance note served as a template for Indian microfinance institutions to partner with solar lighting solution companies and deliver solar lamps on credit.
- ▶ In FY 2017-18 alone, Indian microfinance institutions financed 2 million solar lamp units worth USD 55 million.

Access to debt for energy solution providers (MSMEs) in Kenya

Review of the framework, assumptions, and implementation strategy of a guarantee fund program managed by Energy4Impact in Kenya



The challenge

Energy4Impact, a UK-based NGO, seeks to reduce poverty in East Africa through accelerated access to energy. It provides technical, commercial, and financial advice to MSMEs in the clean and reliable energy solutions sector. Energy4Impact runs programs to enable MSMEs to access debt markets and offers credit guarantee to lenders.

In 2016, E4I understood that the operational aspects of its flagship programs, Capital Access for Renewable Energy Enterprises (CARE2) and Developing Energy Enterprises Programme (DEEP) merited a revision in approach to elicit greater interest of institutional lenders.

Our engagement

In 2016, Energy4Impact contracted MSC to conduct a consultative review of the Capital Access for Renewable Energy Enterprises (CARE2) project and Developing Energy Enterprises Project (DEEP).

MSC reviewed the framework, underlying assumptions, operational guidelines, impact parameters, and implementation progress. It critically examined the success criteria of the programs.

Based on the assessment, MSC advised E4I to rework the cash flow and return parameters of the investee companies and highlight them in the DPRs. This would enable E4I to elicit the greater interest of institutional lenders to fund MSMEs enrolled under these two programs.

Clients and partners



Outcomes and impact

Through the revised approach, Energy4Impact was able to support more than 4,000 micro-enterprises and 500 small enterprises and help them mobilize institutional debt worth USD 136 million.

Digital crop microinsurance

Technical advisory and capacity-building support to translate an innovative concept into a feasible digital crop microinsurance product geared toward climate change resilience development



The challenge

Since early 2015, Ethiopia has been in the grip of the worst droughts in recent history, which threatens the food security of more than 10 million people. Responding to the current crisis and Ethiopia's historical vulnerability to the prolonged drought, Kifiya Financial Technology PLC, a digital technology platform, conceptualized a satellite imagery (Normalized difference vegetation index) -based crop microinsurance program for farmers.

The entity, however, found it challenging to translate the concept into a commercial product. It engaged MSC to turn its vision into reality.

Our engagement

In 2016, MSC provided technical advisory and capacity-building support to help Kifiya translate its pioneering NDVI-based agriculture insurance product concept into a first-of-its-kind product in Ethiopia. MSC provided the following support:

- ▶ Translated the concept into a comprehensible, client-centric index insurance product
- ▶ Forged partnerships with a leading insurer and government agencies
- ▶ Analyzed the regulations in Ethiopia and obtained regulatory approval
- ▶ Mobilized government support and secured the commitment of financial aid to the project in the form of direct subsidy to beneficiaries
- ▶ Formulated a strategic business plan that aligned seamlessly with the client's existing DFS business

Clients and partners



Outcomes and impact

- ▶ The product was piloted with 2,000 farmers in 2016, which was scaled up to 100,000 farmers in 2017-18.
- ▶ Government support was secured for the financial education and training of more than 100,000 farmers in 2017 and a commitment of a direct premium subsidy for more than 200,000 farmers in 2018-19.

Disaster risk insurance for MSMEs

Development of microinsurance products for MSMEs in the Philippines to transfer natural disaster risk



The challenge

The Philippines is particularly vulnerable to typhoons and tropical cyclones due to its geographical position. Over the past decade, the country has lost about 8,200 lives to super cyclones, experienced 1077.8 mm of rainfall that flooded the entire Baguio in the Benguet province. Massive typhoons caused economic damage worth USD 5.7 billion.

In 2018, GIZ, the Department of Trade and Industry (DTI), and the Government of the Philippines took up the challenge to study the nature of risks vulnerable MSMEs face and develop solutions to help them transfer this risk using financial products.

Our engagement

In 2018, the GIZ-products to help MSMEs transfer disaster risk. MSC covered a sample of 180 MSMEs and discussed potential financial products with insurance companies and collateral finance institutions. The outcome of the exercise was a business interruption insurance product concept for MSME units. RFPI Asia team engaged MSC to undertake research and develop

Research



MSC deployed its proprietary research tools and extracted insights from its interview of MSMEs and insurance and credit service providers.

Product development



MSC's rapid-prototyping tool was used to quickly assimilate information and translate it into products. This helped program managers launch the products by early 2019.

Clients and partners



Outcomes and impact

- GIZ-RFPI rolled out the micro-DRI product in collaboration with the DTI. The Government of Philippines aggressively promoted the product among vulnerable MSMEs.
- The product targeted 15,000 MSMEs in the Philippines, including more than 2,000 enterprises in Davao City alone.
- The MSMEs benefit from the very low premium rate of PHP 900 (USD 18.56) per annum for annual coverage of up to PHP 500,000 (USD 10,309).

Scaling up the seed replanting guarantee program

Advice on marketing strategies to scale up the adoption of a seed replanting guarantee program in Kenya



The challenge

The lack of moisture in soils during seed planting poses a major threat to the sustainability of smallholder farmers in Africa. To develop resilience among these farmers, ACRE Africa launched the Replanting Guarantee (RPG) product in 2009 in Kenya. The RPG program involves an index insurance product that guarantees free replacement of maize seeds that fail to germinate due to a lack of soil moisture. It is a collaborative offering that involves seed companies, Safaricom, ACRE Africa, and insurance companies.

However, ACRE Africa found it difficult to scale up the adoption of the product. It suspected that marketing efforts to various stakeholders, such as seed dealers, agrovet extension agents, and farmers were not adequate and the marketing plan required revision.

Our engagement

In 2016, MSC agreed to offer technical assistance to ACRE Africa with financial support from the Alliance for Green Revolution in Africa (AGRA). MSC conducted a qualitative primary survey that involved farmers, input dealers, and agrovet extension agents. The survey identified that the communication gaps at the level of various stakeholders stifled the marketing and distribution of the product.

Based on its assessment, MSC designed a comprehensive marketing plan for ACRE Africa. MSC's key recommendations were as follows:

- Communicate the value proposition to seed dealers clearly and equip them with promotional material
- Train and equip extension agents to promote the product to target farmers. Instruct them to deliver the technical aspects as clearly as possible
- Simplify the registration and settlement process to build trust. Assign dedicated time slots for outbound calls aligned to the availability of farmers in a day. Intensify communication during the planting season.

Clients and partners



Outcomes and impact

- An impact evaluation of the program indicates that insured farmers invested 19% more in their farms and earned 16% more than uninsured farmers in 2016.
- By 2016, ACRE Africa had offered its products to 1.2 million farmers in Kenya, Tanzania, and Rwanda. ACRE expected to reach 10 countries covering 3 million farmers by 2018.

Weather-index based microinsurance

Research to deliver market insights into weather index-based microinsurance products for vulnerable communities in South and Southeast Asia



The challenge

In 2013, weather-index insurance (WII) in Asia was in its nascent stage. Most WII product programs were donor-driven, except in India and Indonesia where private players were the frontrunners.

The WII products faced an uncertain future due to dependence on subsidies, lack of re-insurance products, unpredictable claim experiences, and a rudimentary data collection infrastructure. The Climate and Development Knowledge Network ([CDKN](#)), funded by DFID and the Dutch Ministry of Foreign Affairs, wanted to assess the WII market in five Asian countries. It sought to enhance the affordability, diversity (WII for disaster management), and outreach of WII solutions and devise a program to develop a market for WII.

Our engagement

CDKN contracted MSC to deliver market insights on WII in India, Pakistan, Sri Lanka, Indonesia, and the Philippines.

MSC conducted extensive secondary research and industry expert interviews to deliver market insights. The report provided holistic information on WII in these countries, its advantage over traditional agri-micro insurance, growth drivers, constraints, diversification opportunity, and impact.

MSC also advanced the agenda of CDKN in India by presenting a [report](#) at the Microfinance India Summit. The report received a warm response from the microfinance industry and associated financial services industry.

Clients and partners



Outcomes and impact

- Our findings emphasized that re-insurance serves as a necessary infrastructure to drive growth in WII. Convinced by the importance of such findings, the Philippines Crop Insurance Corporation (PCIC) was permitted by the Central Bank of the Philippines to offer index-based re-insurance in 2018. This also attracted global reinsurers like Swiss Re and Munich Re, which were earlier disinterested due to PCIC's restrictive mandate.
- Our report also emphasized the significance of real-time weather data for the development of the WII market. In India, private players, such as Skymet responded to this requirement and installed about 7,000 automatic weather stations in around 20 states across the country.

Review and implementation assessment

Consultative review of the “Save Water, Earn Money” program implemented by the Punjab State Power Corporation Limited



The challenge

In Punjab, groundwater extraction has increased from 149% of the naturally-available recharge in 2013 to 165% in 2018. During the same period, the state experienced a 32.81% negative variance from normal annual rainfall, which further depleted the available recharge. Climate change has accentuated these periods of dry spells since 2009. In June, 2018, the state electricity distribution company (SEDC), of the Government of Punjab, with implementation support from J-PAL, TERI, and the World Bank, launched an incentive program named “Paani Bachao, Paise Kamao.” The objective was to promote the judicious use of groundwater without harming the agrarian economy. The challenge for the stakeholders of the program was to identify the behavioral triggers to motivate farmers to abstain from exploiting free electricity and depleting groundwater reserves.

Our engagement

MSC conducted a consultative study of the implementation of the program in July, 2019. MSC observed that the metering process deployed to calculate the amount of power saved by farmers and offer financial incentives was viewed with skepticism by some farmer groups.

Based on its observations, MSC recommended the following interventions to change the behavior of beneficiaries toward the program and drive its adoption:

- Strategic intervention: Set up a dedicated project management unit (PMU) to train extension agents, develop the capacity of SEDC officials, and incorporate beneficiary feedback to improve the delivery of the program.
- Operational intervention: Deploy digital metering to instill trust in the power consumption monitoring mechanism and encourage farmers to self-monitor consumption.
- Stakeholder-level intervention: Mobilize the opinions of smallholder farmers in favor of the program through the timely communication of incentives credited into bank accounts.

Clients and partners



Outcomes and impact

- The project stakeholders accepted most of our recommendations. They started notifying beneficiaries about the savings calculations through SMS.
- The SEDC refrained from issuing power bills to farmers, even to those who consumed more than their eligible quota.
- The second phase of the program plans to reach out to 50,000 farmers out of a staggering 1.25 million who use free power to run 1.35 million groundwater pumps.

Operationalizing a climate finance enterprise

Conducting market research and offering product development advisory to a newly-formed entity in climate finance enterprise



The challenge

A newly-formed entity planned to enter the climate financing market in India with offerings ranging from rooftop solar to electric mobility solutions. It wanted to understand the market potential for e-mobility financing solutions.

The rapidly changing battery technology, absence of charging standards, nascent nature of electric two and four-wheeler market, and a largely disorganized electric three-wheeler market posed a major challenge for the entity to identify an array of suitable financing solutions for the segment.

Our engagement

The entity engaged MSC to help understand the nuances of the electric mobility market and advise on suitable products. MSC conducted market research by interviewing e-rickshaw and electric three-wheeler manufacturers, battery and charging solutions providers, dealers, and end-users.

Based on the market insights, MSC undertook the following tasks to help the entity:

- ▶ Rationalize its strategic business plan
- ▶ Draft a detailed product and process policy
- ▶ Draft an investment memorandum and operational budget

Clients and partners



Outcomes and impact

- ▶ MSC helped the entity finalize a product and business plan to finance electric three-wheelers. The entity is in the process of obtaining a regulatory clearance from the Reserve Bank of India, which is required to commence operations.
- ▶ Electric three-wheelers occupy 88% of the market in India, the largest share of the electric mobility market. In FY 19, the annual sales of electric three-wheelers reached 1.10 million units.
- ▶ Out of the 1.10 million, 0.40 million units were e-rickshaws. This offered an equal opportunity for income generation to low-skilled wage earners and manual rickshaw pullers.

Employment growth in the renewable energy sector

Supporting experts in the renewable energy sector to provide policy advocacy to a group of ministers on employment generation in the renewable energy sector



The challenge

Due to the lockdown measures imposed to curb the spread of COVID-19, the renewable energy sector in India faced a 43% decline in capacity installation in Q1 2020 from Q4 2019. Though the sector is not immune to economic slowdowns, it holds the key to economic recovery and employment generation post-COVID-19.

The challenge for the Government of India is to identify policy enablers to actualize the employment potential of the sector as part of the path to economic recovery.

Our engagement

In April, 2020, the Government of India constituted a Working Group of Ministers (GoM) on Employment and Skill Development. The Ministry of Social Justice and Empowerment, responsible for the supervision of the GoM, also set up a Group of Experts (GoE) to advise on solutions and policy measures.

Mr. Manoj Sharma, Director-MSA, was appointed as the co-chair to the GoE. Under this arrangement, MSA provides secretarial support to the GoEs through the following measures:

- ▶ Engagement of sectorial experts, including those in renewable energy, in discussions and policy advisory
- ▶ Validation of expert opinions through comprehensive research
- ▶ Documentation of validated opinions and presentation of final recommendations to the GoM

Clients and partners



Outcomes and impact

- ▶ MSA compiled a series of recommended policy measures to improve the employment generation capacity of the renewable energy sector.
- ▶ If implemented, the policy measures can facilitate employment creation for 1.3 million people, especially in the low- and middle-income segment.
- ▶ It will boost the indigenous power generation capacity of the country, ensuring India meets its Nationally Determined Contributions (under the Paris Agreement) of 175 GW energy from renewable sources by 2022.

Microinsurance for the mitigation of disaster risk

Review of SDC's program targeted toward the development of resilience among the poor and vulnerable through risk transfer



The challenge

Countries with a low socio-demographic index (SDI) have weaker resilience against natural disasters as compared to those with higher SDIs. According to the latest available data, in 2017, the number of lives lost due to natural disasters was 10 times higher in low-SDI countries as compared to high-SDI countries. To combat this disparity in disaster resilience, the Swiss Agency for Development and Co-operation (SDC), in 2015, launched a program in India to develop disaster risk transfer solutions for poor and vulnerable communities.

The challenge for SDC was to gather lessons from the project and develop a template for other low-SDI countries and successfully exit the project.

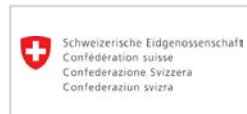
Our engagement

In 2016, MSC undertook a detailed assessment of the theory of change proposed by the project, its operating model, financial outlay, and replicability based on the performance and impact assessment.

MSC utilized its existing experience of developing pro-poor and customer-centric financial solutions to evaluate the risk transfer solutions developed by the project.

MSC collated the findings, suggested the changes necessary for the globalization of the template, and charted a successful exit plan for SDC.

Clients and partners



Outcomes and impact

- ▶ The project enrolled 87,000 poor beneficiaries from vulnerable sections across two Indian states.
- ▶ The dissemination of market insights on disaster risk transfer solutions across South and Southeast Asia engaged policymakers, market stakeholders, and development agencies. It led to a 43% growth in the active risk transfer programs available, from 2012 to 2018. 80% of these are microinsurance programs.

Financing energy-efficient technologies

Dissemination of insights on the nuances of financing the adoption of energy-efficient technologies by MSMEs in India



The challenge

In 2013, the International Finance Corporation (IFC) undertook a project to promote capital access to MSMEs, enabling them to adopt energy-efficient technologies. IFC identified that the key to the success of this initiative was to encourage financial institutions to realize the potential opportunities, benefits, and returns of financing MSMEs willing to adopt energy-efficient technologies.

The challenge for IFC was to elicit the genuine interest of the Indian BFSI sector in financing the energy efficiency needs of MSMEs.

Our engagement

MSC conducted primary research by engaging with MSMEs and financial institutions. We synthesized the findings into a strategy to finance MSMEs to adopt energy-efficient technologies.

MSC successfully disseminated actionable insights to key stakeholders in the Indian BFSI sector through the knowledge series workshop conducted on 7th June, 2013.

Clients and partners



Outcomes and impact

- ▶ A clear outcome of the workshop was a consensus on the need to utilize financing to encourage MSMEs to adopt energy-efficient technologies.
- ▶ The Small Industries Development Bank of India (SIDBI) launched the 4E (End to End Energy Efficiency) program on 5th June, 2014 to promote energy-efficiency investments in MSMEs. The program provides subsidized finance ranging from INR 1-15 million (USD 13,333-200,000) to MSMEs to implement the suggested Energy Conservation Measures (ECM).
- ▶ The scale of environmental benefits of making more than 63.40 million MSMEs energy efficient would be substantial for a developing country like India.

Distribution of energy-efficient solutions

Formulation and execution of a market entry plan for an African “pay-as-you-go” solar product company in India



The challenge

M-Kopa Solar is a pioneer in home solar energy solutions in Africa. It has solar solutions for equipment ranging from lamps to refrigerators. The “pay-as-you-go” model of M-Kopa Solar drives adoption by offering affordable and digital credit options to buyers.

M-Kopa Solar wanted to test the scalability of its model in markets outside Africa, such as in India. The challenge was India’s complex socio-demographic landscape and the lack of existing models to draw lessons from.

Our engagement

In 2015, under its digital finance plus intervention program for the Bill & Melinda Gates Foundation, MSC offered market entry support to M-Kopa Solar.

MSC undertook the following measures to help M-Kopa Solar:

- Identify the best potential market to pilot its products
- Develop a framework for partner selection
- Recommend changes in the distribution and financing processes of potential partners to enhance compatibility with M-Kopa’s processes
- Formulate an operational business plan

Clients and partners

BILL &
MELINDA
GATES
foundation

M-KOPA SOLAR

Outcomes and impact

- Our intervention helped M-Kopa Solar formulate an India-specific strategy to help it achieve success at a scale similar to that in Africa.
- In Africa, M-Kopa Solar has connected over 750,000 homes and business to affordable solar power, providing 3 million individuals with clean, safe lighting solutions.
- The company claims to have saved USD 650 over five years for each of its customers. It has also generated 2,500 jobs in East Africa and contributed to 46% of household income.
- M-Kopa Solar also has helped cut CO₂ emission by 1.7 MT and recycled 55,000 electronic products, contributing to a circular economy.

Climate and disaster risk insurance in Asia

A pioneering sector-level study to understand the existing CDRI solutions in 22 markets across South and Southeast Asia



The challenge

Driving the adoption of climate and disaster risk insurance products across the globe in a persistent challenge for international development agencies. Due to its size, location, and numerous countries with low socio-demographic indicators, and complex financial markets, Asia poses the greatest challenge. Climate change has already exacerbated the number and scale of disaster events in Asia. Hence, stakeholders need to understand the current landscape of CDRI products and work toward scaling up its adoption.

Our engagement

Against this background, MSC undertook an analysis of the status of climate and disaster risk insurance (CDRI) across 22 countries in South and Southeast Asia. We collaborated with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the Regulatory Framework Promotion of Pro-poor Insurance Markets in Asia (RFPI-Asia).

MSC undertook robust secondary research on the existing policy and regulatory environments around CDRI and existing CDRI solutions at the macro, meso, and micro levels.

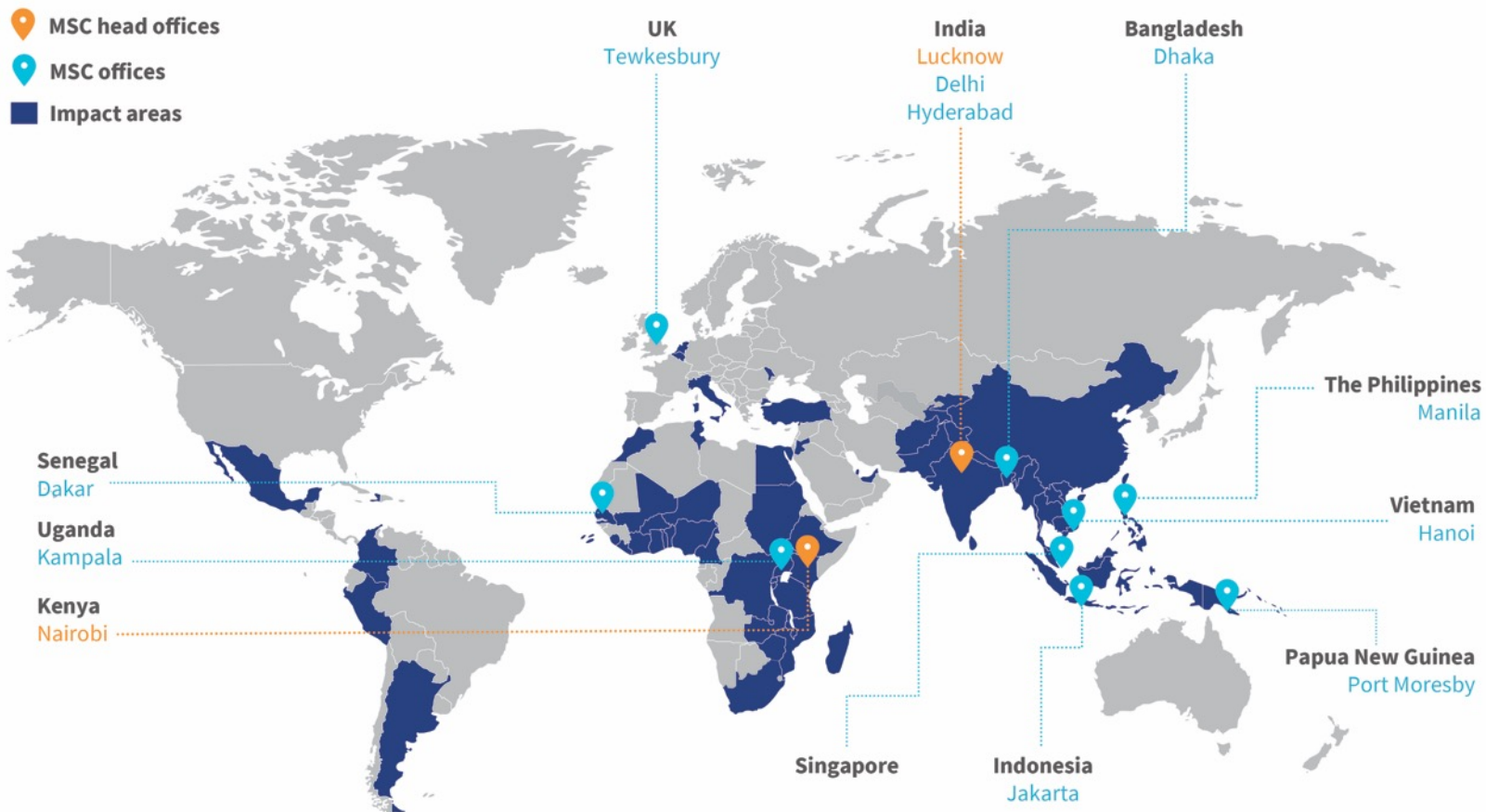
The findings were further complemented with key informant interviews across Bangladesh, Indonesia, the Philippines, and Vietnam.

Clients and partners



Outcomes and impact

- The findings were the centerpiece of the official press statement of the 15th International Microinsurance Conference held in Dhaka, Bangladesh in November, 2019.
- The study informs, for the first time, the inadequacy of existing CDRI interventions and acts as a baseline to measure future progress in offering credible CDRI solutions in Asia.
- Our findings revealed that sovereign risk transfers and other insurance mechanisms in the region cover, directly or indirectly, more than 212 million lives. This still leaves more than 91% of the region without any disaster risk cover.



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