



Empowered lives.  
Resilient nations.

## Project Document Revision

**Project Title:** Insurance and Risk Finance Facility

**Project Number:**

00124347, 00129764, 00132835, 00133828, 00129767,00133838, 00133823, 00133832, 00133833, 00133834,00129766, 00129798, 00129799, 00133827, 00133695, 00132249, 00133775, 00133836, 00133831, 00133829. 00133839, 00130656, 00133830, 00133835,00133837,00129765, 00132444, 00134291, 00100243, 01000244, 01000245, 01000410, 01000411

**Implementing Partner:** UNDP

**Start Date:** 1 October 2020    **End Date:** 31 December 2027    **Revision Date:** May 2024

**PAC Meeting date:** 18 September 2020

### Description of Amendments

This Project Document has been updated since it was signed in October 2020. The updates reflect growth across the IRFF's work and resources, developments within the broader ecosystem of sustainable development, and recommendations from the 2022 and 2023 Project Boards.

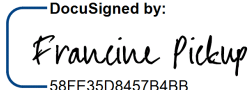
1. The project end date has been revised to December 2027, the project output per the Integrated Results and Resources Framework has been updated to reflect the UNDP Strategic Plan 2022 - 2025, the total resources have been increased, and the UNDP signatory for the document has been changed.
2. The 6 output (workstream) names have been changed across the Project Document as follows:
  - Output 1: Inclusive Insurance is now 'Resilient Households, Businesses and Food Systems'
  - Output 2: Sovereign Risk is now 'Resilient Countries and Communities'
  - Output 3: Natural Capital is now 'Resilient Nature'
  - Output 4: Investment and Financing is now 'Resilient Investments'
  - Output 5: Integration into Development is now 'Safeguarding and Incentivising Development'
  - Output 6: Research, Technology and Evidence is now 'Advocacy, Partnerships and Innovation'
3. Development Challenge (section I): The section has been renamed "Development Challenge" (previously "Development") and COVID-19 has been removed as a large part of the development challenge

4. Strategy (section II): the content on integration across UNDP and the wider UN has been removed as it is adequately addressed in the Results and Partnerships section. An illustration of the Facility's overarching theory of change has been added, along with updates to the output-level theories of change and condensing of their accompanying explanatory texts beneath. The theories of change have been updated to reflect the growing context of work and updated the Multi-Year Workplan. An outline of the IRFF's gender commitment and assumptions has been added.
5. Results and Partnerships: (section III): The content on expected results has been expanded to explain the delivery and expectations under each output. The content on resources required to achieve expected results has also been expanded to outline the Facility's current resources and the types of additional resources required. The partnerships sub-section has been updated and expanded to elaborate each of the different technical collaboration partnerships of the Facility, including UN and UNDP collaborations. The risks and assumptions have been updated to reflect the risks that currently have the highest potential impact on the Facility's delivery. A new sub-section on digital solutions has been added and the knowledge sub-section has been expanded.
6. Project Management (section IV): content on the structure of the team has been updated and represented as an organogram in the annexes. The project management roles of the global team and country teams, a list of the countries with IRFF programming and explanations of how they were selected have been added.
7. Results Framework (section V): The output indicators for the project have been amended to better reflect the project realities and new work. The targets and their distribution have been updated.
8. Multi-Year Work Plan (section VII): The plan has been extended to 2027 and the activities have been amended in line with the changes to the results framework and new resource requirements.
9. Governance and Management Arrangements (section VIII): The oversight functions of the Project Board and the Project Organisational Structure figure have been updated. Implementation functions at the global and country and country levels are added, along with a figure summarising the division of responsibilities.
10. Project Document Annexes (section XI): Updated annexes are provided.

Contributing Outcome: SP Outcome: 1  
 Output:  
**IRRF TIER 2 E.3 Public and private financing** for the achievement of the SDGs expanded at global, regional, and national levels

<b>Total resources required:<sup>1</sup></b>	<b>USD 110 million</b>	
	<b>UNDP TRAC:</b>	
	<b>Donor:<sup>2</sup></b>	BMZ: USD 39,236,524  Stockholm University: USD 99,009  Assicurazioni Generali: USD 1,430,933  Bill & Melinda Gates Foundation: USD 13,861,386  Howden: USD 297,030  UNDP: USD 342,957  ORRAA: USD 495,050  IsDB: USD 20,000
	<b>Government:</b>	USD 0
	<b>In-Kind:</b>	Milliman: USD 6,000,000
<b>Unfunded:</b>	USD 51,712,161	

Agreed by (signatures):

<b>UNDP</b>
<p>DocuSigned by:                        58FE35D8457B4BB...</p> <p>Francine Pickup,                      Deputy Assistant Administrator and                      Deputy Director of Bureau for Policy and Programme Support</p>
<b>Date:</b> 07-Jun-2024

<sup>1</sup> Indicate any changes in needed resources, and any changes in resources allocated by funding partners.  
<sup>2</sup> Excluding 1% UN levy

**Brief Description**

The challenge to ensure that no one is left behind in the drive towards delivering development and achieving the SDGs, is significant. Poverty remains intractable in many countries and communities across the world, with significant inequality persisting between and within countries. Economic growth has not necessarily led to the reduction of inequality, poverty and deprivation, nor to the creation of decent livelihoods. Meanwhile, population growth and urbanisation, especially in low-income countries, is adding significant burdens to already stretched infrastructure and basic services. In many contexts, people are also being left behind because of a variety of forces that include globalization, technological developments, continuing gender discrimination and environmental degradation. In many cases policies, legislation and investment fail to take into account the negative impact on people, communities and countries, especially those most vulnerable.

Our changing climate is exacerbating these issues. One of the clear aspects of climate change is its disproportionate impact on countries and communities at a socio-economic disadvantage, and less equipped to deal with its effects, and has a particularly heavy impact on the most vulnerable. For instance, agriculture contributes to more than a quarter of GDP in most developing countries and employs over half of the population. The sector's smallholder farmers are some of the most vulnerable segments of the population because they are often informal or subsistence workers who lack access to many social protection mechanisms. From those that depend on agriculture to those that depend on coastal livelihoods, from indigenous groups to the urban poor, there are many who need of assistance.

Meanwhile climate change, health crises (such as malaria or COVID-19) and disasters have varied direct and indirect impacts on economies, value chains, livelihoods and well-being - playing a significant role in deepening vulnerability in developing countries. Smallholder farmers, for example, experience negative impacts on their revenues, agricultural yields, and livelihoods as consequences of these threats, worsened by limited access to healthcare services in rural areas. Even when farmers manage to generate a good harvest, global events such as sanctions and conflicts can destabilize input costs and prices of energy and commodities. The financial impacts of disasters to countries and communities have in some cases been devastating, especially for developing countries, with the financial burden often falling directly upon the countries themselves. Meanwhile, humanitarian assistance, which often meets the emergency needs of developing countries in the immediate aftermath of disaster, is at its highest point ever but when it comes to the aftermath of disaster, humanitarian assistance is still less than is needed. The remainder of the financial burden is born by communities, businesses, government, and families themselves.

This context is exacerbated by the lack of mainstreaming of risk management into development financing and investment, as well as by the lack of insurance covers and affordable risk finance instruments. There is, for example, an important protection gap in poorer countries. The protection gaps exist beyond direct loss of assets to disaster. In health, it is in the trillions of dollars which, through significant out-of-pocket expenses, contributes directly to more than 100 million people a year falling into poverty worldwide. This insurance gap serves to exacerbate the lack of protection mechanisms available to support the most vulnerable members of society and increase inequalities. Financial exclusion, the absence of legislation for mutual and cooperative insurance countries and a wide range of demand and supply issues including issues of awareness, trust, weak distribution, inadequate public policies and institutions, all contribute to this disparity, and to the subsequent diminished resilience of households, enterprises, communities and countries. It is estimated that the potential market for

inclusive insurance alone is at least 4 billion people, representing a protection gap of staggering proportions.

Challenges relevant to the insurance industry extend beyond the protection of assets, health and livelihoods, to investment. There is a documented need for investment in the SDGs in developing countries, with an investment gap of close to USD 2 trillion to 2030. This places the insurance industry in a position of responsibility, given that it has under management close to USD 35 trillion, putting it on a par with the pension and banking sectors for assets. Without engagement from the investment side of the insurance industry, meeting the financing needs of the SDGs will be impossible. There are challenges however, beyond the yield and risk ratio, as additional regulatory capital provisions placed on insurance investment limit the possible allocation of investments.

Engagement with the insurance industry in all its forms is, therefore, critical to sustainable development. The protection side of industry can provide the sustainability needed for development, whereas the investment side can provide much needed capital to deliver on the monumental task of financing the SDGs. UNDP's Insurance and Risk Finance Facility will, therefore, engage with both sides of the industry. The expected outcome of this engagement will be that country, community and household long-term resilience will be improved by development and delivery of integrated insurance, risk finance and investment solutions across 6 outputs:

- Output 1: Resilient Households, Businesses and Food Systems
- Output 2: Resilient Countries and Communities
- Output 3: Resilient Nature
- Output 4: Resilient Investments
- Output 5: Safeguarding and Incentivising Development
- Output 6: Advocacy, Partnerships and Innovation

Contributing Outcome: SP Outcome: 1

Output:

**IRRF TIER 2 E.3 Public and private financing** for the achievement of the SDGs expanded at global, regional, and national levels

Gender Marker: 2

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## I. DEVELOPMENT CHALLENGE

Ensuring that no one is left behind in pursuit of development and delivery of the SDGs remains a significant challenge. Poverty remains intractable across the world, with persistent inequalities between and within countries, especially between rural and urban areas. While economic growth has been seen in some countries, it has not necessarily led to the sustained reduction of inequality and poverty, or the creation of better livelihoods.

Meanwhile, population growth and urbanisation, especially in low-income countries, is an added burden on already stretched infrastructure and on the ability to deliver of basic services. In many contexts, people are also being left behind because of a variety of forces that include globalization, technological developments, gender discrimination and environmental degradation. In many cases, public policies, legislation, and investment fails to take into account the negative impact on people, communities and countries, especially those most vulnerable. For instance, women are often exposed to additional risks and have limited access to formal risk management tools relative to men. The impacts of climate change disproportionately affect women, who rely more on natural resources and climate-sensitive sectors for their livelihoods than men, which amplifies existing gender inequalities and poses unique threats to their livelihoods, health, and safety.<sup>3</sup>

Our changing climate is exacerbating inequality, poverty, and imbalanced growth. 2023 was the hottest year on record by a 'huge margin'<sup>4</sup>, with projections for the International Energy Agency that our current approach to climate targets and mitigation is putting the world on track for an average temperature increase of 2.4C this century<sup>5</sup>. These findings, along with those from the 1.5C report produced by the Intergovernmental Panel on Climate Change (IPCC)<sup>6</sup>, have bolstered the argument for urgent climate action. The IPCC report clearly highlights the disproportionate impacts climate change is having on those countries and communities with a socio-economic disadvantage, and less equipped to deal with its effects. It shows a particularly heavy impact on the most vulnerable, from Indigenous Peoples to the urban poor, to those that depend on agriculture and on coastal livelihoods.

Meanwhile, disasters are on the rise, deepening vulnerability in developing countries and communities. In the last 2 years alone, Munich Re estimates the overall financial impact to have been USD 510 billion<sup>7</sup>. In some cases, the financial impact has been devastating. The Haiti earthquake of 2010 cost an equivalent of 120% of the country's Gross Domestic Product (GDP). Typhoon Haiyan, that struck the Philippines in 2013 caused an estimated USD 5.8 billion of financial loss, with 6 million workers losing their sources of income, with devastation caused to fishing, rice, corn and sugar production. The average annual loss from disasters in low and low-middle income countries was estimated at USD 29 billion according to research undertaken by RMS<sup>8</sup>. In many cases the financial burden of these disasters falls directly upon the countries themselves. Of the USD 510 billion losses in 2017 and 2018, only USD 220 billion were actually covered by insurance,

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<sup>3</sup> <https://issafrica.org/research/policy-brief/climate-change-migration-and-gender-seeking-solutions>

<sup>4</sup> <https://news.un.org/en/story/2024/01/1145457>

<sup>5</sup> <https://www.iea.org/reports/world-energy-outlook-2023/executive-summary>

<sup>6</sup> See the IPCC report on 1.5 degrees at <https://www.ipcc.ch/sr15/>

<sup>7</sup> Addition of 350 billion USD for 2017 and 160 billion USD for 2018. For more details see: <https://www.munichre.com/en/media-relations/publications/press-releases/2019/2019-01-08-press-release/index.html>

<sup>8</sup> <https://www.rms.com/blog/2017/07/24/the-role-of-catastrophe-risk-finance-in-developing-nations/>

meaning if reconstruction was to fully take place, a large proportion of the financing would need to come from countries directly<sup>9</sup> or from businesses and families themselves.

The COVID-19 pandemic highlighted and exploited these same vulnerabilities in developing countries, from the provision of national public services all the way through to family and individual finances. The impact of this largely unplanned for and unmanaged risk remains unprecedented. The COVID-19 crisis went beyond health to include business continuity, employment, social protection and governance, and has served to underline the need for significantly increased investment in risk financing and development.

The lack of insurance and risk finance in many parts of the world is exacerbating the challenging context of rising risks and diminishing financial resilience. Less than 5 percent of disaster losses are covered by insurance in poorer countries, versus 50 percent in high-income countries. Protection gaps exist beyond direct loss of assets to disaster. In health for example, it is estimated the gap in South-Asia alone is USD 1.8 trillion<sup>10</sup>. The protection gap for health undoubtedly contributes to the more than 100 million people a year falling into poverty<sup>11</sup> globally, due to out-of-pocket expenses, sometimes more than 60% of a person's contribution to their treatment. The insurance gap is exacerbated by the lack of social protection by the most vulnerable members of society, increasing inequalities further. Additional contributors are financial exclusion, the absence of legislation for mutual and cooperative insurance in 45% in developing countries<sup>12</sup>, and a wide range of demand and supply issues including issues of awareness, trust, weak distribution, inadequate public policies and institutions.

Challenges relevant to the insurance industry extend beyond the protection of assets, health, and livelihoods to investment. There is documented need for investment in the SDGs in developing countries of close to USD 4.3 trillion a year until 2030, with an investment gap of close to USD 2 trillion, given the financing available. This places the insurance industry in a position of opportunity, given that it has USD 35 trillion of assets, putting it on par with the pension and banking sectors. Without engagement from the investment side of the insurance industry, meeting the financing need of the SDGs will be difficult, if not impossible. There are challenges however, beyond the risk and yield ratio, as additional regulatory capital provisions placed on insurance investment limit the possible allocation of investments.

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## II. STRATEGY

### Introduction

Insurance and risk financing have a critical role in combatting poverty, building the resilience of communities and countries, households, farmers, entrepreneurs and enterprises; and reducing the impact of risk on development, contributing directly and significantly to delivery of the SDGs. Research has highlighted 6 global goals where insurance plays a key role – poverty reduction, no hunger, good health and wellbeing, gender equality, decent work and economic growth, climate action – with another 5 also relevant<sup>13</sup>. Inclusive insurance and risk financing not only help secure the resilience of individuals, their livelihoods and homes from the impact of disaster, they also provide coverage for loss of employment, supply and value chains, education, cyber-threats and much more, acting as a safety net across many

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<sup>9</sup> <https://www.rms.com/blog/2017/07/24/the-role-of-catastrophe-risk-finance-in-developing-nations/a>

<sup>10</sup> <https://www.swissre.com/reinsurance/life-and-health/reinsurance/closing-asia-health-protection-gap.html>

<sup>11</sup> Out-of-pocket expenses on health care vary from region to region, with figures as high as 61.5% in South-East Asia, compared to 13.6% for OECD countries. (Source: World Bank Open Data.)

<sup>12</sup> See <https://www.icmif.org/45-world%E2%80%99s-countries-do-not-have-mutualcooperative-insurance-law-according-latest-icmif-data>

<sup>13</sup> Inclusive Insurance and the SDGs, GIZ, 2018.



aspects of life and living. Research into multi-aspect risk financing of disasters, suggests that losses from disaster in poorest countries could be reduced by as much as 25%<sup>14</sup> from a range of risk financing tools, including parametric insurance, insurance-backed social protection and indemnity-based products.

UNDP's vision for its Insurance and Risk Finance Facility is to work with governments and partners to develop and implement innovative, scalable insurance solutions to contribute to tackling risk, building financial resilience and combatting both vulnerability and long-term poverty.

UNDP's plan is to increasingly use its engagement with the insurance industry (private, mutual and cooperative) to find innovative, scalable solutions that help countries tackle the intertwined challenges of poverty, vulnerability and risk. To deliver on this vision, all of the Facility's work at the country level will include both the development and deployment of specific insurance/risk transfer tools and products with partners. These tools and products will be relevant to partner countries and communities, with investment in long-term market transformation. This work therefore cuts across both supply and demand of insurance, with work in legislation, regulatory and institutional capacity development, matched by investment in advocacy, training and education. UNDP's work also includes work with the investment side of the industry, looking to develop financial solutions that address both risk transfer and resilience investment, with advocacy and policy work to mobilize finances from the up to USD 35 trillion under management by the insurance industry

### **The Strategic Plan and the Corporate Context**<sup>15</sup>

To realize this vision and deliver on this plan, UNDP has designed a dedicated facility to provide world-leading and long-lasting technical, partnership and funding advice and guidance to both Country Offices and Programme Countries.

This vision, which is outlined in detail in this project document, delivers on key aspects of UNDP's Strategic Plan including its central vision to help countries eradicate poverty, and work through structural transformation to deliver both development and build resilience to crises. More than the broad vision, UNDPs' Insurance and Risk Finance work contributes to the signature solutions of the strategic plan because its work is essentially related directly to each and every sector, from housing to energy, from women's empowerment to SME development, from agriculture to health, and much more. This multi-sector aspect of UNDP's work in insurance and risk finance also means it is well placed to contribute directly to several key aspects of UNDP's partnership work indicated in the strategic plan: as an integrator of ideas across partners, and as an operational backbone to enable multi-partner delivery<sup>16</sup>.

The work of the Insurance and Risk Finance Facility is also firmly embedded in UNDP's Global Policy Network. In part this comes through the integration of the work of insurance and risk finance into the overall Sustainable Finance Hub (SFH) offer as 1 of 4 flagship initiatives endorsed by the Administrator. The SFH provides an integrated investment and financial support package to Country Offices and programme countries and is currently being rolled out to the wider UNDP system. The insurance and risk finance work also has a wider inter-connection with the full offer of the GPN, as it is most often not a sector or area by itself, but rather a further expression of already existing practices. This can be seen most readily in the areas of work in development between the Insurance and Risk Finance team and other areas of UNDP, such as on reef insurance and human wildlife conflict with the biodiversity team, on health micro-insurance platforms with the health team, on sovereign risk insurance with the DRR team, on the addition of insurance components to our already existing agro-programmes with the adaptation team, and more. In

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<sup>14</sup> <https://forms2.rms.com/DFID-Executive-Summary.html>

<sup>15</sup> Note that this project document crosses over 2 Strategic Plan (SP) periods.

<sup>16</sup> UNDP Strategic Plan, Page 9.

each case these elements can build directly on the wider development support of the GPN, through the knowledge, resources, network, experience and expertise of a wide range of UNDP teams and colleagues.

### Insurance and Risk Finance Facility Outputs

Six outputs (also referred to as workstreams) contribute to UNDP’s policy and programme support in insurance and risk finance for 2020 to 2027:

- Output 1: Resilient Households, Businesses and Food Systems
- Output 2: Resilient Countries and Communities
- Output 3: Resilient Nature
- Output 4: Resilient Investments
- Output 5: Safeguarding and Incentivising Development
- Output 6: Advocacy, Partnerships and Innovation

The two outcomes outlined in the table below contribute to the following impact: **Long-term resilience of social and economic development improved through better risk management and risk transfer mechanisms.**

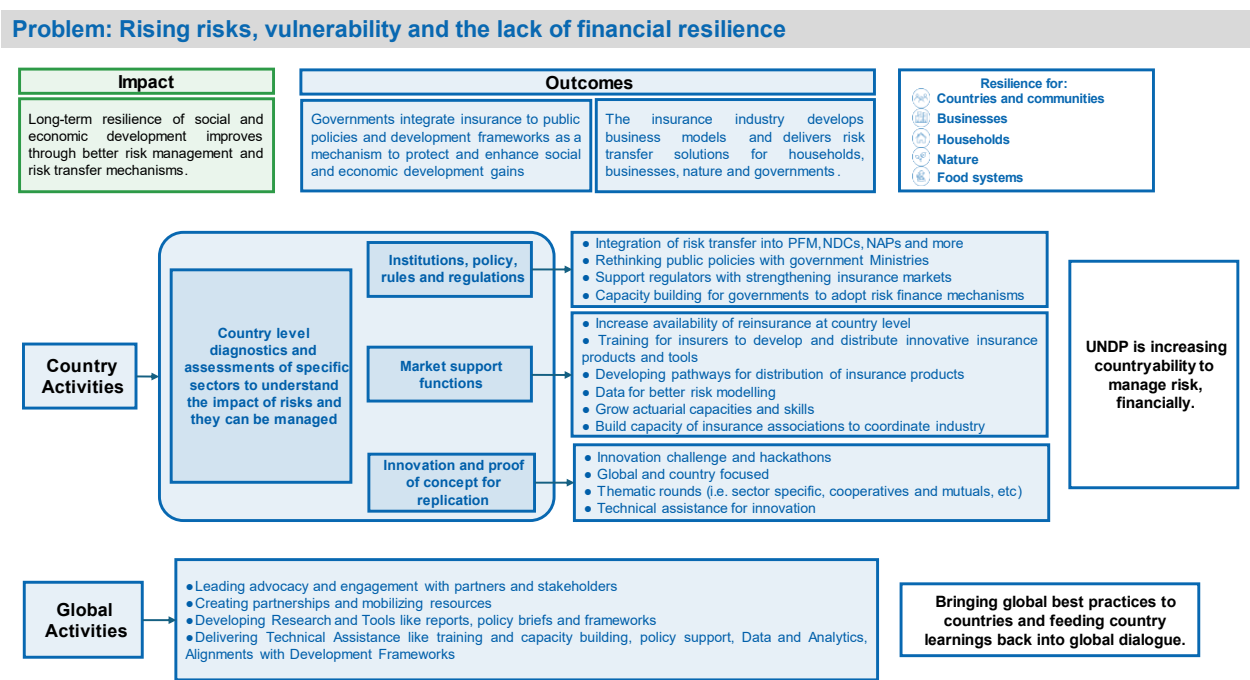


Figure 1: IRFF Overall Theory of Change

The detailed theories of change for each of the 6 outputs are provided below. It should be noted that the activities mentioned in the tables are summaries. All the activities corresponding to each output can be found in the multi-year work plan further below in this document.

**Output 1: Resilient Households, Businesses and Food Systems**

Theory of Change		
Impact	Reduced vulnerability, enhanced resilience of households, farmers, entrepreneurs and enterprises	<b>Assumptions:</b> 1. National political engagement in supporting the contributions of insurance to development 2. Technical partners keep engaging and coordinating to support country level activities 3. Governments and stakeholders understand and engage insurance solutions to build resilience 4. Viable distribution channels engage with the insurance industry to develop business models that provide access to insurance to the majority
Outcome	Households, farmers, entrepreneurs and enterprises access integrated insurance solutions	
Output	Increased and diverse supply of insurance solutions for households, farmers, entrepreneurs and enterprises  Support to the private sector to improve its knowledge and capacity to reach and serve new market segments  Technical assistance to government to improve regulation and public policies for insurance to contributes to the resilience of households, farmers and enterprises.	
Strategic Activities	1. Engaging at the global and regional levels on insurance initiatives for development to influence agendas and promote the lessons of work in insurance for development 2. Developing an enabling environment and facilitating market transformation through training, technical assistance, and engagement with public and private actors at the country level 3. Collaborating with the insurance industry to drive insurance solutions that are scaled up	
Development Challenge	Large sections of population and the economy are currently underserved by the insurance sector, especially in developing countries. There are often inadequacies in the legislation and regulation, as well as issues around the cost, delivery models, complexity, knowledge and trust to access and adopt insurance by the majority of the population. There is evidence that indicates how there are gender differences in barriers to both accessing and using inclusive insurance, such as the gender gap in identity documents needed to meet regulatory requirements. Smallholder farmers are another example of an often-excluded population.	

Development of the insurance market is a critical way in which households and enterprises, especially the most vulnerable, can access financial protection. And more than that, insurance broadens financial inclusion, complementing banking, payment systems, pensions, productivity support and climate adaptation services.

UNDP's main focus is on comprehensive insurance development, from the enabling environment to market development, through to the advancement and deployment of new instruments, and impact measurement.

**Output 2: Resilient Countries and Communities**

Theory of Change		
Impact	Reduced vulnerability, enhanced resilience of countries and communities	<b>Assumptions:</b> 1. Key partners in global coordination of risk finance work support country level work
Outcome	Communities and countries access, develop and integrate risk finance solutions to their policies enhancing their long-term resilience	
Output	Risk finance solutions for at risk countries that enhance their resilience	

	Support and technical assistance for countries to understand and implement risk finance solutions	2. No major drop in political commitment and resource allocation
Strategic Activities	<ol style="list-style-type: none"> <li>1. Convening, leading and managing of joint work on risk financing between with the private sector, country offices and state actors</li> <li>2. Supporting legislative and regulatory reform and capacity development of public institutions that is facilitated through technical assistance plans deployed across all target countries (including the development and implementation of disaster risk finance strategies).</li> <li>3. Facilitating risk modelling and delivery of risk financing products, tools and services governments</li> </ol>	<ol style="list-style-type: none"> <li>3. Governments interested in applying risk finance solutions to build resilience and will make political, financial contribution.</li> <li>4. Government and other stakeholder agree risk financing is an effective tool to build resilience</li> <li>5. Climate change leads to more disasters, meaning higher risk for vulnerable populations</li> </ol>
Development Challenge	Every year critical sectors to countries' economic growth, livelihood provision and infrastructure are deeply affected by disaster, with massive consequences on long-term development. Countries often do not have the technical capacity to develop and deliver risk financing solutions to successfully ensure their critical assets and areas of growth are protected.	<ol style="list-style-type: none"> <li>6. Insurance is reducing the impact of climate change on development and the impact of disaster.</li> <li>7. The impact of global health crises (such as COVID-19) or other large-scale catastrophes can be integrated into present and future operations and will not undermine them.</li> </ol>

Building on decades of UNDP's work at the country level helping governments manage and reduce all kinds of risk, this workstream focuses on working with partners and governments to provide specific technical assistance to deliver risk-finance solutions (across development, recovery, and humanitarian settings) working from deploying the risk modelling expertise of the insurance industry through to supporting governments to develop appropriate solutions for the transfer of risk and how to channel this financing most optimally and with the greatest development impact<sup>17</sup>.

### Output 3: Resilient Nature

Theory of Change		
Impact	Increased resilience of nature, ecosystems, biodiversity and the communities that are linked to natural assets	<b>Assumptions:</b> <ol style="list-style-type: none"> <li>1. Insurance on natural capital remains a valid business model for private sector</li> <li>2. Natural capital continues to receive attention from a wide range of critical stakeholders</li> <li>3. No major drop in political commitment and resource allocation towards the protection and conservation of natural assets</li> </ol>
Outcome	Communities and governments have access to insurance and risk finance mechanisms that protect relevant natural assets and wildlife to support the protection and recovery mechanisms	
Output	<p>Insurance that protects natural assets, ecosystems and wildlife, as well as the people and businesses who depend on those assets established</p> <p>National governance mechanisms that finance insurance and risk finance for natural assets and wildlife developed</p> <p>Advocacy and evidence for nature's resilience increased</p>	

<sup>17</sup> Note that the risk finance output (as financed by BMZ) also includes the management of payouts in the wake of claim.

Strategic Activities	<ol style="list-style-type: none"> <li>1. Global mapping of key natural capital hazards and risks</li> <li>2. Identifying of gaps in regulations and public policies, knowledge and capacities, and setting guidance, capacity building interventions and driving an enabling environment for nature resilience</li> <li>3. Developing natural assets, ecosystem and biodiversity insurance and risk finance programmes that include the community processes required to finance these initiatives</li> </ol>	<ol style="list-style-type: none"> <li>4. The governance mechanisms needed to manage this kind of initiatives are efficient and transparent</li> <li>5. The impact of global health crises (such as COVID-19) can be integrated into present and future operations and will not undermine them.</li> </ol>
Development Challenge	Natural capital and wildlife are under direct threat from a host of factors, whether human (population growth and location) or from climate change (e.g., droughts, floods and cyclones). Natural assets and wildlife are critical to economic growth, food security and livelihoods. Examples of natural assets include marshlands, river deltas, reefs and mangrove forests.	

UNDP's track-record in environmental, livelihoods, risk-reduction and biodiversity presents it with leverage potential for insurance initiatives, with natural assets and wildlife presenting themselves as an opportunity for developing insurance mechanisms for protection. This area of work matches the value of natural capital and wildlife with the financial potential of investing in risk management and resilience, and supporting community vulnerability through investments in the protection of livelihoods along with the conservation and restoration of natural assets. Natural capital insurance, such as for coral reefs or mangroves, which protects and bolsters the resilience of ecosystems, communities, and livelihoods is a key opportunity area for the IRFF.

#### Output 4: Resilient Investments

Theory of Change		
Impact	Reduced vulnerability, enhanced resilience of countries and communities and strengthened prospects for sustainable development	<b>Assumptions:</b> <ol style="list-style-type: none"> <li>1. Sufficient resources are raised from donors to be able to deliver on the strategic activities</li> <li>2. No major drop in political commitment from donor and resource allocation</li> <li>3. Consensus remains on the importance of partnerships</li> <li>4. Insurance sector and other private sector partners willing to engage with UNDP and developing countries on investment opportunities</li> <li>5. Countries willing to work with private sector on investment opportunities</li> <li>6. Governments and other key stakeholders are interested in applying insurance related instruments to build resilience</li> </ol>
Outcome	The investment potential of insurance contributes to the development agenda through the alignment of resources to the SDGs and better risk management.	
Output	<p>Policies and regulations that enable the contributions of investments by the insurance industry in the SDGs</p> <p>Advocacy and policies that enable insurance to crowd-in and de-risk investment</p>	
Strategic Activities	<ol style="list-style-type: none"> <li>1. Country-level baseline assessments of insurance industry investment ecosystems and local regulations</li> <li>2. Identifying insurance investment opportunities and potential, particularly in the SDGs</li> <li>3. Supporting regulatory reform and financing mechanisms that leverage insurance through workshopping current situations and setting roadmaps for future development</li> <li>4. Advocating for sustainable energy and other infrastructure investments at the country level, through engagement in key global and regional insurance-related forums</li> </ol>	

Development Challenge	In order to mitigate carbon emissions and build climate resilience, countries need sustainable infrastructure but lack capacity to fund projects without significant private investment. However, institutional investors struggle to find investment opportunities in developing countries that meet their risk/return requirements due to weak enabling environments and a limited pipeline of bankable opportunities of needed size and quality. Additionally, projects in developing countries also carry certain risks, such as political risk, construction risk, FX volatility, and repayment risk, which can deter private investment. There may sometimes also be a lack of gender information or proactive consideration of SDG5 (gender equality) as investment criteria, such as considering the gender-diversity of the governance body of the potential investees. Many insurance investors have many further challenges to their development country project financing.	<p>7. Sufficient project in developing countries that would meet investment requirements of insurance companies</p> <p>8. Available catalytic instruments from DFIs or other partners that could be blended with insurance capital to make investments sufficiently attractive.</p> <p>9. The impact of global health crises (such as COVID-19) can be integrated into present and future operations and will not undermine them.</p>
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This workstream has inter-related elements focused on insurers as both investors and underwriters. On the one hand only a fraction of the USD \$35 trillion of insurance industry assets under management goes towards the SDGs in developing countries.<sup>18</sup> To address this, UNDP is working to identifying potential investment pipelines as well as improving the regulatory and enabling environment for insurers to investment in infrastructure in partner countries. The other element of work is engaging with insurers as underwriters to explore the potential for insurance to de-risk investments in the SDGs to crowd-in private investment as well as to use rising insurance premiums in response to climate risks to incentivize investments in climate adaptation and resilience.

#### Output 5: Safeguarding and Incentivising Development

Theory of Change		
Impact	Insurance and risk finance builds resilience, reduces vulnerability and underpins sustainable growth across country development processes and strategies.	<p><b>Assumptions</b></p> <p>1. No major drop in political commitment from donor and resource allocation</p> <p>2. Consensus continues on the importance of partnerships</p> <p>3. Insurance sector and other private sector partners willing to engage with UNDP and developing countries stakeholders on development issues beyond insurance products and services</p> <p>4. Governments and other key stakeholders are engaged and will be committed to working with UNDP and partners to integrate</p>
Outcome	Insurance and risk finance are integrated into development frameworks as a mechanisms to protect social and economic development	
Output	<p>Guidance for public stakeholders and UNDP country offices to integrate insurance into relevant national development frameworks</p> <p>Workshops, trainings and technical assistance for policymakers to integrate insurance into development processes</p>	
Strategic Activities	<p>1. Integrating insurance and risk financing expertise and analysis into national financial management and planning, such as INFFs</p> <p>2. Integrating insurance and risk financing into national development frameworks, such as NDCs and NAPs</p> <p>3. Integrating of insurance and risk finance as a critical tool for achieving development and delivering on the SDGs, through engagement with global and country level SDG processes</p>	

<sup>18</sup> Statista, Total assets of insurance companies worldwide from 2002 to 2022. <https://www.statista.com/statistics/421217/assets-of-global-insurance-companies/>

Development Challenge	Development remains largely uninformed by risk across many sectors and areas. Decisions are often taken, planning made, frameworks developed, and actions taken without understanding both the impact of risk on those decisions and the way in which risk can be addressed and managed. For instance, there is sometimes a lack of a gender-dimension within insurance policies and mechanisms. These issues remain intractable not only at country level, but also regionally and globally.	development into their development plans and actions 5. The impact of global health crises (such as COVID-19) can be integrated into present and future operations and will not undermine them.
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The insurance industry has massive potential to support development through its intimate understanding of risk modelling and risk transfer for developing countries. The industry is built upon its understanding of risk, and on the data, modelling and analytic capacity and expertise on which that risk-knowledge depends. This output is focused on integrating both the insurance and risk finance solutions as well as the expertise of the insurance industry into influential aspects of government and community life, planning and development. This means going beyond insurance and risk transfer products to integrate industry expertise into public planning and frameworks, from rural development to investment planning, post-disaster needs assessments to climate change commitments, from community risk assessments to public financial management.

#### Output 6: Advocacy, Partnerships and Innovation

Theory of Change		
Impact	Reduced vulnerability, enhanced resilience of countries and communities, enterprises, households, food systems and agriculture and strengthened prospects for sustainable development	<b>Assumptions</b> 1. No major drop in political commitment from donor and resource allocation 2. Consensus continues on the importance of partnerships 3. Insurance sector and other private sector partners willing to engage with UNDP on issues of research, evidence, innovation and technology 4. Governments and other key stakeholders are interested in applying research and evidence into their insurance/risk finance portfolio 5. The impact of global health crises (such as COVID-19) can be integrated into present and future operations and will not undermine them. 6. IIRFF is able to leverage the necessary communication tools and channels to support its delivery at pace
Outcome	Policymakers and private sector have access and use all evidence and knowledge to foster the contribution of insurance to the development agenda	
Output	Diagnostics on insurance and risk finance for at least 20 countries  High-impact, high-profile platforms and advocacy campaigns  Annual flagship reports and other knowledge products  Trainings, tools and workshops that foster knowledge and call to action by stakeholders  Insurance Innovation Challenges that drive the engagement of the insurance industry to develop innovative solutions	
Strategic Activities	1. Creating all the dissemination strategies, platforms and media for advocacy, knowledge and evidence 2. Leading and facilitating the partnerships and processes to develop reports, knowledge documents, research and evidence. 3. Facilitating trainings and workshops for a diversity of national, regional and global stakeholders 4. Developing technical partnerships, insurance industry engagement and donor relationships	
Development Challenge	There is significant need to ensure that insurance and risk financing are utilised by countries and others as core ways to	

	<p>sustain development and drive growth. This is in part due to the absence of sufficient research and evidence, communications and advocacy. The right kind of knowledge is not generated, the production of the right kind of research and evidence is limited, the lessons of work in insurance and risk financing are not yet communicated adequately, and there is much need to greatly increase advocacy, so that insurance and risk financing are central to government plans, and not on the periphery.</p>	
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The core areas of work under this workstream encompass knowledge and evidence, advocacy, training and capacity building, strategic content driven communications, partnership management, innovation challenges, technology, and resource mobilization. Within the IRFF, this work is seen as part and parcel to implementation across all workstreams and is a critical piece of articulating what resources are needed to tackle growing risks and lack of financial protection.

### Cross-Cutting Activities

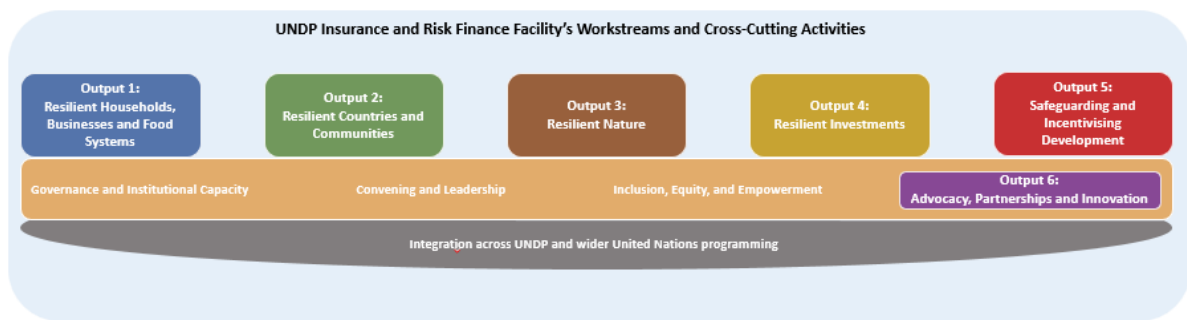


Figure 2: Workstreams (outputs) and Cross-Cutting Activities

Underpinning each of the workstreams within the UNDP strategy for the Insurance and Risk Finance Facility (expressed as outputs in this project document) are a set of 5 elements that apply equally to all, providing a unified, coherent base of supporting work, and are integrated into each of the output areas. With the exception of the technology and innovation as well as the advocacy, research, and evidence areas, the cross-cutting activities will be mainstreamed throughout the project’s outputs. These latter 2 will, because of their specific activities that require financing, are best served through their own output (workstream) as detailed in the output 6 theory of change above.

**Governance and Institutional Capacity:** Regardless of the work or workstream, governance and institutional development will always be core in the technical assistance to country partners, across insurance development, risk financing, natural capital insurance, resilience investments, and more.

**Convening and Leadership:** One of the key areas where UNDP adds significant value is the ability to convene at all levels, from the global level through to country-office representation. This includes:

- **High-Level Global Leadership:** UNDP’s Administrator co-chairs the IDF. A set of critical insurance-related engagements are already a core part of the UNDP calendar at a senior level, including IDF Annual Summit, the International Conference on Inclusive Insurance, and the ICMIF Annual Conference.
- **Technical Leadership:** UNDP plays a key role within the IDF, co-chairing its operational committee, and co-chairing 3 of its working-groups – through this helping drive the IDF’s current and future focus.



- **Regional Convening:** With unrivalled country and regional presence, UNDP is significantly increasing its presence in the insurance and risk financing space.

**Inclusion, Equality, and Empowerment:** Increasingly, insurance offers the potential of empowering marginal or vulnerable groups, from the disabled and elderly through to women-headed households. Products can be targeted to particular groups and particular initiatives designed to empower these groups, not only protecting the aspect of life and living through the product, but also helping drive financial inclusion (which in many countries is a particular feature of the disempowered.)

**Gender commitment<sup>19</sup>:** All the IRFF's financing and activities have a potential impact on and are influenced by the gender equality and women's empowerment context in which they are implemented. For instance, there are distinct gender-based patterns in economic participation and the ways individuals rely on natural capital for their livelihoods. Evidence also suggests that women can be more vulnerable to disasters than men based on their gender. Yet there is sometimes also a lack of a gender-dimension within insurance mechanisms. Risk financing solutions - including their budgeting, design, and pay-out elements - may not account for gender dimensions of vulnerability. These issues remain intractable not only at country level, but also regionally and globally.

The IRFF's gender approach is built on fostering structural transformation, leaving no one behind and building resilience. To that end, the IRFF commits to recognizing the gender impacts and dimensions of:

- Each of the IRFF workstreams and each of the IRFF cross-cutting activities
- The choices determining the allocation of capital and supporting processes within all the IRFF funding programmes (discussed below). For example, the investment and grant making process for the Challenge Fund can and will incorporate gender criteria within the investment due diligence and decision-making process, ensure a gender balance of the investment committee composition, and provide gender-related technical assistance to challenge fund recipients, and require gender and sex-disaggregated data within reporting requirements.
- The operations and products and services and supply chains of IRFF in partnership with the private sector within the Tripartite Agreement. For example, the gender impacts of private sector partners that occur through their leadership and governance and workforce, operations and products and services. This includes their institutional gender policies, practices, and performance. It also includes addressing the gender, as well as other environmental, social and governance related impacts of their insurance sector investments and assets under management. Additionally, the IRFF commits to recognizing that:
  - There are country-specific gender constraints, and enablers across all IRFF programming. These naturally vary by country but may include: women's property and land asset ownership, customary law, inheritance, and access to foundational and functional identification documents to meet customer due diligence requirements for a bank account and insurance, and purchase a mobile sim card; and

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<sup>19</sup> For additional information, kindly see the IRFF Gender Commitment that is published [on the IRFF website](#).

- Sex-disaggregated and gender data is essential to measuring results and the impact of the IRFF. For example, tracking the number of female and male beneficiaries<sup>20</sup> of inclusive insurance.

The Insurance and Risk Finance Facility recognises that it operates in a context where various gender assumptions apply:

- Disaster and climate change risks and impacts can differ due to existing gender inequalities caused by unequal power relations and structures, discriminatory laws and customs, and unequal access to and control over resources.
- There are gender-differential vulnerabilities and exposure to hazards. This vulnerability and exposure can vary based on various and overlapping aspects of an individual's identity and not just their gender such as their economic status, ethnicity, age or the geography where they live, with implications for their climate and disaster risk profile and their access to power, resources and decision making.
- Women's and men's risk financing and insurance needs can vary according to ethnicity, life-stage, religion, age, class and other identifying attributes.
- Women and men can be differentially impacted by, and engaged in, diverse insurance and risk financing solutions including sovereign instruments and insurance products.
- All risk financing and insurance policies and instruments have the potential to integrate gender considerations.
- Integrating gender considerations is not about an exclusive focus on women at the exclusion of men, but it can lead to a specific emphasis on women due to historical discrimination.
- Gender-smart risk financing and insurance solutions can provide risk protection that addresses differences in women and men's vulnerability and exposure to hazards based on gender and incorporate resilience building approaches to overcome the resulting risks and impacts.

## Funded Programming

The IRFF has several programmes in implementation with committed funding.

### Tripartite Agreement (financed by BMZ)

This programme operates under the framework of the [Tripartite Agreement signed](#) during the United Nations Secretary General's Climate Action Summit in 2019, between the Insurance Development Forum, the German Government (BMZ) and UNDP. The programme works to build the financial resilience of climate vulnerable countries through risk finance solutions. Crops, livestock, households and private and public assets (such as schools, health care facilities and transportation infrastructure), are all potential sectors with opportunities to develop financial protection mechanisms. In each country, members of the

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<sup>20</sup> Beneficiary is defined as: "The person(s) or party(s) who benefit(s) from protection under a re(insurance) coverage scheme. Beneficiaries may be direct policyholders themselves (e.g. individual smallholder farmers and their household members) or benefit indirectly e.g. from food distribution financed by payouts from an insurance policy held by a national or sub-national entity (e.g. a household within a community which is insured against coastal flooding)." as set out in the Monitoring and Evaluation Framework for the Vision 2025

insurance industry through the IDF engage in the developing risk financing solutions, alongside offering up to USD 5 billion of risk transfer capacity. The programme operates in about 20 countries across a range of target sectors, allowing it to contribute to various of the Facility's outputs but output 2 most heavily. The Facility's multi-year activities across the output – such as convening and leading joint work and providing technical assistance to public institutions - are reflected in UNDP's support to the insurance industry through coordination, project management, and stakeholder convening, and work with governments on institutional capacity for insurance and risk finance, insurance market development and the integration of risk financing into government decision-making.

### **The Engagement Initiative (financed by BMZ)**

The Engagement Initiative has its roots in the country-selection process for the initial joint work under the Tripartite Agreement. Where there was hesitation within the IDF to select countries where the chance of success would be, in the view of some, too low or the resource costs too high based on weaknesses in demand, legislative and regulatory environment, ability to finance, and so on. However, UNDP and BMZ recognised that risk finance and insurance engagement must also encompass countries where UNDP interventions can help open up new opportunities for the adoption of this kind of mechanism as a development solution. Per the Facility's multi-year plan, the delivery of risk financing products, tools and services should not be restricted to middle-income countries but accessible to all, including Least Development Countries (LDC)<sup>21</sup>. The Engagement Initiative was thereby established to support countries that are categorised as LDC or have recently graduated from that status. The initiative is partly foundational in nature, building the capacity of ministries of finance and other key government agencies, to understand and finance risk, with a focus on stable financial risk management frameworks, and using research and evidence to develop the political economy argument for investing in understanding and financing risk. Alongside this, early developments of national insurance markets are coupled with working with government on how they can better harness the technical capacity of both national and international insurers.

### **Financial Resilience in Agriculture (financed by the Bill & Melinda Gates Foundation)**

The programme responds to the challenge that smallholder farmers and their families are facing numerous risks to their livelihoods and productivity, fuelled by more than a century of global emissions. More than ever, smallholders must adapt to the growing threat of climate change risks, particularly as recurring disasters reduce their income and harvest outputs. Spanning 5 years, the programme starts in Ethiopia, Tanzania, Uganda, Bangladesh and India, and has 3 interconnected objectives. The first is supporting governments to adopt and improve comprehensive agricultural insurance programmes for small-scale farmers. This will bolster the integration of insurance and risk financing into UNDP country and regional levels, as well as the launch and scale up of inclusive insurance solutions to target beneficiaries, per the multi-year plan under output 1. The second objective is facilitating innovative public-private partnerships deliver integrated risk financing and agricultural insurance solutions for small-scale farmers – sustainably and at scale. The programme will thereby constitute varied engagements at the global and regional levels to influence agendas and promote lessons and the IRFF's work under output 1. The third objective is a global platform strengthens stakeholder collaboration, builds partnerships and mobilizes additional resources for agricultural insurance. This falls under the Facility's work under output 6 of developing high-

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<sup>21</sup> The InsuResilience Vision 2025, which represents the combined commitments of the bulk of the insurance industry/development community collaboration, also places a focus on ensuring 500 million poor and vulnerable people are covered against disasters and climate hazards

profile advocacy campaigns, conducting multi-faceted knowledge sharing and developing partner, industry and donor relationships.

#### **SME Resilience (financed by Assicurazioni Generali)**

Entrepreneurs and enterprises are among the Facility's target beneficiaries, under output 1 and in 2022, IRFF and Generali developed a 3-year partnership to support the financial resilience of SMEs in developing countries, especially in Asia. The partnership is producing evidence and insurance innovation, in line with output 6. Together with Generali, UNDP has developed research and evidence on SME resilience in Southeast Asia with a focus on Malaysia and Thailand, a disaster loss prevention framework for SMEs, as well as an innovation challenge - as noted below – focused on developing insurance solutions for SMEs and are working on guidance for how parametric insurance can support development. IRFF and Generali are currently in conversation about renewing the partnership and amending the scope of future work.

#### **Insurance Innovation Challenges (financed by BMZ, ICMIF Foundation and Assicurazioni Generali)**

Insurance Innovation Challenges (IICs) form a significant part of the Facility's efforts on innovation under output 6. They facilitate and incentivize the development and launch of innovative insurance products, solutions and services for new and underserved population segments and new markets. The IRFF has launched 2 bespoke innovation challenges outlined below and will also launch innovation challenges in its programme countries to facilitate the development of innovative solutions for underserved markets.

- *The ICMIF Insurance Innovation Challenge*, initially funded with USD 600,000, will enable mutual insurance initiatives to strengthen financial resilience of people with low income. Mutual and cooperative insurers will have to compete for technical and financial resources to develop and distribute innovative and affordable insurance products specifically serving the needs of most vulnerable households.
- *The Innovative Insurance Challenge in Malaysia in partnership with Assicurazioni Generali* is focusing on the communities vulnerable to climate risks, the IIC encourages the cultivation of solutions that scale and customize existing insurance products to enhance Small and Medium-sized Enterprises' resilience, a sector employing 7.3 million people in Malaysia. Solutions should be tailored to meet the multifaceted challenges faced by SMEs while introducing new business models and technologies, protecting businesses from risks, enabling their stability and growth while breaking new ground in the realm of insurance. Successful entrants will receive up to USD 40,000 for each solution. Technical support and guidance may also be provided during the development phase.

#### **Tailored Delivery Programmes**

UNDP's work on insurance and risk financing continues into a set of diverse, tailored programmes of technical support for UNDP country offices and partner countries. Some examples are listed below.

- **India and Indonesia (financed by BMZ):** India and Indonesia IRFF country projects are implementing unique sets of activities across IRFF's standard thematic areas, such as support towards enabling environment, integration of insurance and risk financing into national development frameworks, research and advocacy, innovative product development for inclusive insurance.

**Reef Insurance, Indonesia (financed by ORRAA):** implementing work on reef insurance with financing from ORRAA. The IRFF is co-designing a parametric/hybrid insurance solution to protect and restore coral reefs in selected coastal areas of the country. The intervention aims at strengthening the financial resilience of communities dependent on reef-related sectors such as fishing and tourism. Indonesia's coral reefs are natural coastal assets that support the livelihoods of communities and provide protection against extreme weather events. This intervention is in collaboration with Swiss Re. Additionally, the project aims to generate knowledge products to scale similar insurance models in Indonesia and other coastal areas with reefs, while creating opportunities for local insurers to diversify offerings and contribute to coastal resilience.

- **FSO Safer operation, Yemen (financed by the Yemen Country Office):** the Facility has worked to support the binding of insurance coverage to the UNDP operation to transfer crude oil from the significantly deteriorated FSO Safer vessel to a new ship, and thus prevent an oil spill that threatened 200,000 livelihoods and marine life in the Red Sea. This is in line with the multi-year strategic activity of the Facility to see the development of delivery of natural capital risk products, tools and services.
- **Ukraine (financed by the Sustainable Finance Hub and Ukraine Country Office):** UNDP has developed an offer on war and political risk insurance in Ukraine, for a holistic strategy encompassing diverse stakeholders, which will establish and operationalize a public-private risk pool. The core objective of the risk pool would be to ensure the accessibility of political and war risk insurance at affordable rates over the long term. It would see insurance contribute to boosting financing for development, which is the desired impact of work under output 4.

Other contexts where the IRFF is developing tailored solutions include the Maldives, Bhutan, and Philippines.

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### III. RESULTS AND PARTNERSHIPS

#### Expected Results

##### Output 1: Resilient Households, Businesses and Food Systems

The delivery of this output will include technical and capacity support to public institutions and programmes on inclusive insurance regulation and strengthening of related public policies. Support shall be provided to regulators and policymakers – such as those responsible for agriculture - in programme countries. Resilience in agriculture will be a strong focus for delivery under this output, given the importance of agriculture: roughly 1.23 billion people are employed in agrifood systems, of which 857 million are in primary agriculture production.<sup>22</sup> The Facility will work to increase the capacity of relevant ministries on how agricultural insurance can be used as a tool for climate resilience for smallholder farmers. The IRFF's overall support to public institutions and bodies will enable regulations that foster deeper market coverage and the integration of insurance to public policies to improve the financial inclusion and resilience of households, businesses and food systems.

The IRFF is pursuing innovative partnerships and collaborations with the private sector players, training institutions and development banks to create capacities of the national insurance markets, while

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<sup>22</sup> Davis, B., et al., 2023. Estimating global and country-level employment in agrifood systems. FAO Statistics Working Paper Series, No. 23-34. Rome, FAO. <https://doi.org/10.4060/cc4337en>

developing, scaling up and improving of insurance products and solutions. Applications to the Climate Action Trust, founded by Howden, will be one of the vehicles through which inclusive insurance solutions will be scaled up. Insurance Innovation Challenges are also being established to provide the insurance industry with an incentive to scale inclusive insurance products in IRFF programme countries as a proof of concept for further replication in the national markets to increase the number of households, farmers, entrepreneurs and enterprises that benefit from insurance coverage. Furthermore, the launch of the Takaful Alliance shall create a shared structure for developing and delivering knowledge, regulatory reform, technical capacity, and market growth for Takaful – a shariah-compliant mutual insurance. Additional initiatives will be developed with stakeholders on insurance consumer education and use of Insurtech (that is, insurance and technology).

The expected results for Output 1 include:

- Increased and diversified supply of insurance solutions for households, farmers, entrepreneurs and enterprises
- New market segments reached and served through support delivered to the private sector to improve its knowledge and capacity
- Improved regulation and public policies for insurance through technical assistance that contributes to the resilience of households, farmers and enterprises.

The above results will be delivered through a number of activity streams, listed below:

- 1.1 Engagement at the global and regional levels on inclusive insurance initiatives to influence agendas and promote the lessons and work by the IRFF on the subject
- 1.2 Market transformation and development of the enabling environment through training, technical assistance, and engagement with public and private actors at the country level
- 1.3 Inclusive insurance solutions launched or scaled up to reach the target beneficiaries, including with premium financing from the Resilience Share
- 1.4 Development of capacity and creation of joint initiatives for disaster risk financing and insurance for agriculture in rural areas

## **Output 2: Resilience Countries and Communities**

The delivery of this output will encompass the development and implementation of risk finance solutions led by consortia of insurers that are part of the Insurance Development Forum. These consortia include some of the largest global insurance companies along with national insurance companies, and they are developing insurance solutions for public entities to foster improved risk finance mechanisms. These solutions can be both at the national and sub-national levels. The delivery will be strengthened with risk modelling and analysis of the perils, shocks, risks and impacts facing development and development financing. IRFF supports governments with enhancing risk understanding through partnerships with the private sector.

The IRFF is also supporting governments and public institutions on the development of their regulatory and policy environments, as well as strengthening risk financing strategies to create an enabling environment for sovereign and sub-sovereign risk financing. The IRFF helps policymakers to develop contingency plans for disaster risks and improve their payout mechanisms. Additionally, the IRFF is part of the Resilience Share, an initiative that provides premium support for risk financing initiatives through the Climate Action Trust and supports the conversation of IRFF projects into people and assets under protection. The IRFF also has an offer to enhance the financial resilience of vulnerable communities in

least developed countries (LDCs) and fragile and conflict-affected states through tailored, case-by-case interventions with innovative insurance solutions.

This line of work is based on national and sub-national risk assessments, looking to strengthen the foundation of financial risk management in the context, and leading to the development of insurance and risk finance product development. Collectively, this output looks to bring about delivery of financial resilience and protection to large scales of people, via their communities and countries.

The expected results for Output 2 include:

- Enhanced resilience of at risk countries and communities through risk finance solutions
- Understood and implemented risk modelling and risk finance solutions for countries through technical assistance
- Strengthened foundation of regulations, public policy and systems for the risk financing in each country

The above results will be delivered through a number of activity streams, listed below:

- 2.1 Convening, leading and managing of joint work on risk financing between with the private sector, country offices and state actors
- 2.2 Legislative and regulatory reform and capacity development of public institutions that is facilitated through technical assistance plans deployed across all target countries
- 2.3 Risk modelling systems and analysis developed, piloted, and rolled out across all target countries
- 2.4 Disaster Risk financing supports and systems developed, piloted and rolled out across all target countries, including with premium financing from the Resilience Share
- 2.5 The development and delivery of risk financing products, tools and services for varied countries (including conflict-affected countries and Least Developed Countries)

### **Output 3: Resilient Nature**

Delivery of this output will include work with the insurance industry, governments and key stakeholders to develop insurance solutions for natural capital, with an initial focus on improving the resilience of coral reefs and mangroves, and reducing the negative impacts of human wildlife conflict, through a combination of research, risk transfer solutions, policy and advocacy, and technical support. The IRFF supports the identification of natural assets with positive social and economic externalities, while identifying the key hazards and their impact on communities. The IRFF's research linked to this line of work will shed light among governments and stakeholders on how to understanding natural capital supports livelihoods, and how this value can be translated to design viable insurance products, tools and services.

The IRFF will further promote the importance of integrating natural capital protection into country development plans. This shall be done at global, regional and country fora and serve as calls to action, including for collaborative or innovative provision of premium financing through mechanisms like the Resilience Share. The reach of the advocacy will also be increased by collaborating with other teams in UNDP that work on nature and biodiversity. Finally, the IRFF will provide technical assistance for developing or improving the public policy frameworks to facilitate the successful and sustainable deployment of insurance solutions for natural capital.

The expected results for Output 3 include:

- Established insurance that protects natural assets, ecosystems and wildlife, as well as the people and businesses who depend on those assets
- Developed and improved national governance mechanisms that finance insurance and risk finance for natural assets and wildlife
- Increased advocacy and evidence for nature's resilience

The above results will be delivered through a number of activity streams, listed below:

- 3.1 Global mapping of key natural capital hazards and risks, and identifying of country stakeholders
- 3.2 Developing enabling environments through identification of gaps in regulations and policies and recommending solutions
- 3.3 Identifying and building the awareness and technical capacity of stakeholders
- 3.4 The development and delivery of other natural capital risk products, tools, and services

#### **Output 4: Resilient Investments**

This output will be delivered in partnership with the private sector, targeting opportunities for insurance to de-risk and incentivize low-carbon and resilient investments. The IRFF shall conduct baseline assessments of local investment and regulatory ecosystems in IRFF programme countries which shall be used to engage the insurance industry on potential investment opportunities and governments on potential regulatory pathways to improve insurers' abilities to invest in local infrastructure that is low-carbon and climate resilient, especially in sustainable energy. With over \$35 trillion in assets under management,<sup>23</sup> insurers are the largest pool of investment capital after pension funds and it is critical that their assets are aligned to the SDGs and Paris Agreement and that insurance is scaled as a de-risking instrument to crowd-in additional private sector investment, especially into developing countries which are exposed to significant political, currency, and construction risks. Together with industry, the IRFF will also identify opportunities for insurance and related instruments to de-risk and incentivize low-carbon and climate resilient investments in IRFF programme countries. To support the above activities, IRFF will engage in advocacy and research to encourage further investment by insurers into low-carbon and climate resilient investments along with scaling the use of insurance as a de-risking mechanism in climate finance structures where it is currently used on a limited basis compared to the potential market size and demand. As at 2024, delivery of this output is conditional on raising resources toward it.

The expected results for Output 4 include:

- Developed policies and regulations that enable the contributions of investments by the insurance industry in the SDGs
- Implemented advocacy and developed policies that enable insurance to crowd-in and de-risk investment

The above results will be delivered through a number of activity streams, listed below:

- 4.1 Country-level baseline assessments of insurance industry investment ecosystems and local regulations
- 4.2 Identifying insurance investment opportunities and potential, particularly in the SDGs

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<sup>23</sup> Statista, Total assets of insurance companies worldwide from 2002 to 2022.  
<https://www.statista.com/statistics/421217/assets-of-global-insurance-companies/>



- 4.3 Supporting regulatory reform and financing mechanisms that leverage insurance through workshopping current situations and setting roadmaps for future development
- 4.4 Advocating for sustainable energy and other infrastructure investments at the country level, through engagement in key global and regional insurance-related forums

#### **Output 5: Safeguarding and Incentivising Development**

This output delivers tools and facilitates activities that integrate insurance and risk-financing into the way countries financially manage their risks. The IRFF will equip UNDP country offices to help their governments integrate risk thinking and risk financing into critical development processes at the country level: Integrated National Financing Frameworks, National Adaptation Plans, and Nationally Determined Contributions that followed the Paris Agreement from COP21 (2015), along with other relevant public policies. Research, guidance materials, and dialogue sessions will be provided. Technical assistance will be provided to governments on the development of risk financing budgets, contingency plans and other public financial management tools that they can use to address the impacts of risks. This will transform how countries finance risk management, climate action and development. In addition to targeting countries, the IRFF is working to address regional-level priorities for accelerating development and achieving the SDGs. Interventions are developed in consultation with UNDP regional hubs and offices that align with their priorities while targeting either internal UNDP capacity development on insurance for development, external stakeholders and communications, or mobilisation of required resources. Harmonisation of regulatory frameworks across regional economic communities, donor roundtables and development of research studies are examples of how, at a regional level, the IRFF is strengthening the resilience of development work.

The expected results for Output 5 include:

- Established guidance for public stakeholders and UNDP country offices to integrate insurance into relevant national development frameworks
- Executed workshops, trainings and technical assistance for policymakers to integrate insurance into development processes
- Strengthened coordination and interventions at the regional level on insurance and risk financing enablers

The above results will be delivered through a number of activity streams, listed below:

- 5.1 Risk financing/industry expertise and analysis integrated into countries financial management and planning, such as through INFFs
- 5.2 Risk financing/industry expertise and analysis integrated into national development frameworks, such as NDCs and NAPs, through workshops, training and education, ongoing technical assistance
- 5.3 Integration of insurance and risk finance as a critical tool for achieving development and delivering on the SDGs, through engagement with global and country level SDG processes
- 5.4 Integration of insurance and risk finance strategies at the UNDP country and regional levels

#### **Output 6: Advocacy, Partnerships and Innovation**

This output will be delivered through a combination of global advocacy, communications, knowledge and evidence, innovation, training and capacity building, as well as partnerships and resource mobilisation. The IRFF advocates for the role of insurance and risk financing in supporting and safeguarding the sustainable development goals (SDGs) along with sharing the activities and impacts from across the IRFF's portfolio of projects.

One of the major drivers of this output is the Financial Resilience in Agriculture (FRA) portfolio, which includes a global platform for advocacy, knowledge sharing, stakeholder engagement and convening, as well as partnership and resource mobilization as one of its 3 delivery pillars. One of the key areas of consideration and development for 2024 and beyond is ensuring the IRFF has the appropriate channels to drive its external engagement, especially given the substantial digital demands of the FRA global platform and other bilateral partnerships that require substantial visibility. Overall, the IRFF's advocacy work occurs through convening key stakeholders at global, regional, and country-levels supported by a multi-channel digital communications strategy is employed to generate high levels of audience interactions and leverage technical, institutional and UN partners. Tailored digital content is delivered via dedicated social media, websites, newsletters, and other relevant platforms as needed. This allows IRFF to increase its visibility and promote insurance for development with its rich stakeholder ecosystem, spanning 34 programme countries and beyond.

The IRFF is building a knowledge base on the role of insurance in minimising the financial burden of shocks, disasters and crises on countries and communities, and safeguarding hard-won development gains. This knowledge is captured in annual reports, technical papers, policy briefs, case studies, country diagnostics and thought leadership from our partners. These knowledge products create a composite hub used within the IRFF's advocacy and engagement efforts. They also complement the IRFF's development of trainings and training materials, including physical trainings, e-learnings, and guidance tools to build the capacity of key stakeholders. Climate disaster risk financing and inclusive insurance trainings are being implemented at the country level and as part of the Sustainable Finance Hub Academy. An e-learning offer shall be made available on matters such as risk-informed INFFs, linking social protection and climate and disaster risk finance and insurance (CDRFI), and integrating CDRFI into climate policy and programming. The trainings will improve the skills of government partners and country office personnel on a complement of issues of insurance for development.

Undercutting all of the IRFF's work is also an increasing focus on the use of technology and innovation focusing on better value of insurance for final clients (such as farmers) and offering an increasingly efficient means of service delivery, tracking and impact and more. The IRFF supports insurance innovation through a series of Insurance Innovation Challenges (as previously described under output 1), increasing availability of data (internet of things, crowdsourcing, earth observation etc.), increasing capacity to process that data (AI, cloud computing etc), and new tools for communicating risk data and mitigation advice. Blockchain, smart contracts, and end-to-end data platforms (from distribution to payment to monitoring) could all add increasing value to insurance/risk finance and related work at the country level.

Finally, to ensure the long-term sustainability of the IRFF, the development of partner, industry, and donor relationships by mobilizing additional technical and financial resources to scale and enhance the IRFF's current portfolio will be a priority. This will help the IRFF serve more countries, offer more to current programme countries and develop technical partnerships with the insurance industry, academia and research institutions, actuarial and data services providers, investors and other stakeholders to develop an enhanced offer for programme countries which leverages the complementary strengths of different partners.

The expected results for Output 6 include:

- Consolidated evidence base through diagnostics, reports and other knowledge products to support the scale up and improvement of insurance contribution to development

- Enhanced understanding, skills and capacity of stakeholders on technical issues of risk financing and insurance for development
- Enhanced innovation and technology towards the delivery and scale up of insurance solutions for development
- Delivered advocacy campaigns and facilitated fora for technical and political engagements at global, regional and national levels on insurance for development
- Established working partnerships that facilitate the implementation of ambitious programming and initiatives on insurance and risk financing

The above results will be delivered through a number of activity streams, listed below:

- 6.1 Diagnostic review of 20 critical countries, largely desk-study work supplemented by online meetings with critical stakeholders; includes final advocacy report and work-planning for outputs 1 and 2.
- 6.2 High-impact, high-profile advocacy campaigns implemented via social media, articles, events, etc.
- 6.3 Development and dissemination of annual flagship reports and other knowledge products
- 6.4 Multi-faceted knowledge sharing and training on insurance and risk financing that is developed and delivered to all interested country offices and numerous government partners
- 6.5 Challenge Fund implementation in 18 countries
- 6.6 Development of partner, industry, and donor relationships

### **Resources Required to Achieve the Expected Results**

In response to the development challenge laid out in this document and in seeking to align with the achievement of the Sustainable Development Goals by 2030, the Facility is extending its duration to 2027, from an initial end date of 2025. The scale of the need is high amid rising global risks and there is room to deepen impact within many of the 34 countries in which IRFF currently has funded programming. Moreover, 35 countries or country offices beyond this current footprint have reached out the IRFF for support.

The Facility is working to create lasting and transformative impact on the landscape of insurance in the countries under its purview, and thus aims to increase implementation of its core activities from 34 to 50 countries by 2027. The Facility will also continue to provide regional and global level support across its 6 outputs. This will require an estimated budget of USD 110 million, pooled from a variety of donors and local level resources sourced from country offices. Technical and pro-bono resources will be provided from governments and industry partners.

Since its establishment in 2019, the Facility has successfully mobilized USD 57 million, enabling the implementation of programs at the global level and in 34 countries. Funding sources include UNDP (non-core financing), the German Federal Ministry for Economic Cooperation and Development (BMZ), the Bill & Melinda Gates Foundation (BMGF), Assicurazioni Generali, and Howden. The latter 3 entities also serve as technical collaborative partners, as elaborated below. Additionally, the Ocean Risk and Resilience Action Alliance (ORRAA) is in advanced stages of committing financial and technical resources to the Facility, with finalization expected in 2024.

To scale IRFF's work to 50 countries (and noting the 35 countries that have requested support beyond existing financing) additional resources are required and a business development perspective is applied in

determining how to acquire resources in a manner that bolsters sustainability, impact, and leverages the Facility's expertise and unique selling points. This perspective is also applied regularly to identify new trends and opportunities and adjust accordingly.

The Facility focuses on different avenues of engagement with both existing donors, building on their long-lasting relationship with the Facility, as well as new potential donors. To engage donor partners at a global and strategic level for instance, high-level events and advocacy is undertaken between senior leadership and donor representatives to highlight and champion the Facility's achievements and the donor's impact thus far. The Facility also maintains strong relationships at a technical level with existing donors and partners through regular updates, information exchange, and working to address needs and concerns. At the country level, the Facility is looking to strengthen communications with UNDP Country Offices and increase engagement with potential local donors and partners and at the regional level, the Facility engages with Regional Hubs and Regional Offices to identify opportunities.

Delivering on the Facility's ambitious goals will necessitate a significant allocation of human resources. From programme management to implementation, the Facility relies on UNDP and non-UNDP colleagues. Within UNDP for example, this will include BERA colleagues on all aspects of external and partnership engagement as well as many GPN technical teams, such as Health, DRR, Social Protection and more. IRFF's National Programme Officers will be responsible for the detailed implementation of their country workplans, and support from and collaboration with country office colleagues will be required for success and alignment with the Country Programme Document.

### **Partnerships**

The successful execution of the initiatives within the Insurance and Risk Finance Facility relies heavily on strategic partnerships and collaborations with various stakeholders, including the private sector, governmental entities, and relevant organizations. The Facility recognizes the paramount importance of these partnerships in leveraging resources, expertise, and networks to effectively deliver projects and achieve desired outcomes and therefore continuously explores opportunities to engage with new partners to expand its impact and reach. Below is a comprehensive list of the Facility's technical collaborative partners, along with detailed descriptions of ongoing collaborations and joint initiatives.

#### **Assicurazioni Generali**

Under a partnership with Generali, [initially for 3 years](#), this leading global insurer has committed technical capacity and financial resources to work with the IRFF to increase the socioeconomic wellbeing of the world's most vulnerable, with a particular focus on the world of small and medium business. Together, Generali and the IRFF will support developing countries to access insurance and risk finance solutions that enhance the resilience of communities and especially businesses in a key set of countries. This is in alignment with the Facility's theory of change under output 1, with entrepreneurs and enterprises noted as some of the targets for impact. The partnership works across 4 key areas: insurance, social entrepreneurship, capacity building, and research, evidence, and advocacy. It will thereby also contribute to the output 6 multi-year activities of developing high-impact and high-profile advocacy campaigns, implementing inclusive insurance challenges, and developing partner, industry, and donor relationships.

#### **Ocean Risk and Resilience Action Alliance (ORRAA)**

UNDP is a founder and Steering Committee member of ORRAA, supporting its mission to invest in ocean resilience. UNDP and ORRAA partnered on a report, [Insuring Nature to Reduce Risks](#), on leveraging natural

capital to build coastal and community resilience through insurance, and are building a long-term multi-aspect partnership that focuses on building the financial resilience of coastal communities in developing countries. Those activities will be among those implemented by the Facility to develop and deliver natural capital risk products, tools and services, per output 3 of the multi-year plan.

### **Howden**

Howden is providing UNDP technical and financial resources toward the establishment of a jointly managed platform – The Resilience Share. The Resilience Share will be launched in 2024 and shall not be a legal entity, but function like a taskforce. It shall host an annual high-level forum, bringing together CEOs of the insurance industry and larger private sector, philanthropists, foundations, non-governmental organisations and multi-lateral development organisations to engage in dialogue and commit resources and action to scale up the integration of insurance as a development solution for a diverse range of challenges. This shall contribute to increasing the number of both inclusive insurance and sovereign products and solutions developed and scaled by IRFF (results indicators 1.3 and 2.4). Under the framework of the Resilience Share, UNDP will also identify and further develop UNDP projects that can apply for financing from the Howden established Climate Action Trust and other sources<sup>24</sup>. This will begin with the 2024 financing of inclusive insurance premiums through the Share to at least two country projects and additional 2 inclusive insurance projects within the current IRFF portfolio. The Resilience Share is expected to predominantly help IRFF reach a wide range of beneficiaries - per its multi-year activities under outputs 1 - by catalyzing innovation and scale up of multiple inclusive insurance solutions for sustainable development. Its financing of sovereign premiums to national governments is expected to contribute to the IRFF's output 2 activity of delivering disaster risk financing supports and systems to target countries.

### **Technical Collaborative Partners:**

*Private Sector*

### **Milliman**

IRFF and Milliman Inc., one of the world's largest actuarial firms, launched a new initiative in 2022 to build actuarial capacity and expertise in developing countries. The UNDP-Milliman Global Actuarial Initiative (GAIN) works on building actuarial capacity and expertise of local actuarial professionals, enhancing data availability through regulators and the insurance industry, supporting countries in improving the understanding of risk and its management. The programme is also supporting insurers, insurance regulators, policy makers, pension funds and social security administrations in developing countries to better manage risks and in turn offer innovative and affordable insurance solutions for all. The Facility, through the initiative, is thereby engaging in the market transformation, development of the enabling environment and capacity development, as set out across the multi-year plan. GAIN is already active in 10 countries. Additionally, the initiative will build capacity in actuarial knowledge within the relevant UNDP Country Offices for the promotion of the initiative at the local level.

Milliman and UNDP are also working together to develop several investment concepts under output 4, related to solar energy development and insurance market development. Both parties are contributing time and resources to the development of the concepts and will jointly fundraise.

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<sup>24</sup> Due diligence assessment and risk monitoring will be undertaken by IRFF for each of their applications made to the Climate Action Trust where the funder is a new donor for UNDP.

**Swiss Re**

Beyond the collaboration under the Tripartite Agreement countries, UNDP and Swiss Re are working to develop parametric/hybrid insurance products to protect and restore coral reefs, while strengthening the financial resilience of communities dependent on reef-related sectors such as fishing and tourism, starting in Indonesia with the project financed by Ocean Risk and Resilience Action Alliance (ORRAA). Indonesia's coral reefs are natural coastal assets that support the livelihoods of communities and provide protection against extreme weather events. The IRFF and Swiss Re are partnering with the Indonesian government and the insurance industry to develop a sustainable, long-term insurance solution to help safeguard these assets. This is in accordance with the Facility's delivery of natural capital risk products, tools and services under output 3. Additionally, the project aims to generate knowledge products to scale similar insurance models in Indonesia and other reef-rich regions while creating opportunities for local insurers to diversify offerings and contribute to coastal resilience.

*Academia***Stellenbosch University**

The University has served as IRFF's implementing partner to develop and implement a series of series of online short courses along with 1 in-person training of trainers session on Climate and Disaster Risk Financing (CDRF).

These trainings aimed to enhance the capacity of decision-makers to understand and integrate CDRF principles and risk transfer tools into national and regional policies and strategies in the African context. This initiative contributed to Facility's training delivery under output 6 and was part of the Facility's support to UNDP's project, "Enhancing Knowledge and Evidence to Scale-up Climate Change Adaptation in Africa via the Africa Adaptation Initiative" (AAI) funded by the EU.

*Development Systems***Global Shield**

Within the Global Shield structure, UNDP is a member of the Coordination Hub, supporting deliberations and providing input to support the alignment of the Global Shield with the development work implemented by UNDP. Through the life of the GS development, UNDP has contributed significantly, developing both an alternative to the current financing structure, and a model for the foundational development work needed at the country level. In Pakistan, the Government of Pakistan, through the Ministry of Climate Change, has nominated UNDP as the lead partner for the implementation of the Global Shield in-country process. To this end, UNDP has convened a multi-stakeholder conference to kick off this work, and continues to work closely with the Government of Pakistan and the Global Shield to support implementation of this process. Similarly, UNDP continues to be a substantial contributor of the InsuResilience Global Partnership Vision 2025 - the predecessor of the Global Shield – which helped shape several indicators and targets of the Facility under outputs 1 and 2. For the targets of Vision 2025 which are being tracked by the Global Shield, UNDP is supporting the scale up of insurance and risk finance solutions for developing countries, advancement of gender forward approaches which advance IGP's gender commitment, and also advance the strengthening of risk finance and insurance policy frameworks, one of the principle indicators of Vision 2025.

**Insurance Development Forum (IDF)**

UNDP is a largest operational development partner working with and within the IDF, which it co-created and co-leads. It co-chairs the Steering Committee and Operational levels and is co-chair of the Sovereign

Working Group, which manages the Tripartite Agreement. 19<sup>25</sup> of the IDF's large private sector members have put forward USD 5 billion of risk capital, as of January 2024, and most are part of country project teams for the development of risk financing solutions. The Facility partners with these companies, convening and managing joint work on risk financing per output 2 of the multi-year plan. This includes the joint management of a programme coordination unit with the ICMIF secretariat, board and members across 4 critical areas, and with the Global Shield. Represented in all the other working groups, UNDP also finances the inclusive insurance working group coordinator and contributes substantially to a very large part of the forum's ongoing activities.

#### **African Risk Capacity (ARC) Agency**

UNDP and the African Risk Capacity Agency are seeking, under an MOU, to share analytical data and market insights to improve the efficacy of the parties' respective in-country activities as well as identify practical opportunities to structure and implement innovative disaster risk finance solutions that deliver value for money in the context of sustainable development. It is also envisioned that there shall be collaboration with the African Development bank to advance its Africa Disaster Risk Financing (ADRFi) Programme. The activities are thereby envisioned to be part of Facility's disaster risk financing supports under output 2 of the multi-year plan and contribute toward deepening the economic and human development impacts of insurance-related solutions in Africa.

#### **Access to Insurance Initiative (A2ii)**

A2ii and the IRFF are undertaking regional collaborations to facilitate the improvement of insurance regulation towards more inclusive markets. The IRFF is facilitating the participation of insurance regulators in the capacity building activities organised by A2ii and in this manner working in line with its multi-year activity of supporting public sector actors and others on the development of the enabling environment.

#### **Islamic Development Bank (IsDB) Group**

IsDB is a multilateral bank that seeks to enhance the socio-economic development and of its member countries and Muslim communities across the globe. The partnership with IsDB aims to develop evidence to support the market development process for Takaful. Takaful can support the coverage of broader sectors of the population in Muslim majority countries and allow the Facility's efforts to reach more beneficiaries with more inclusive solutions, per output 1. The IRFF, IsDB and IsDB institute have jointly developed a knowledge product on Takaful. The collaboration with IsDB will adopt a broader sector approach towards developing the capacity of the Takaful industry to expand its scope of products.

It should be noted that the Facility's engagements with Islamic Development Bank and several other potential partners, are partially contributing to a broader effort by the Facility to work with a multitude of stakeholders to develop a global Takaful Alliance. The Alliance is bringing actors from different spheres, public and private, national and regional, industry, development and research, into a shared structure for developing and delivering an ambitious programme of work that leverages Takaful, a shariah-compliant mutual insurance, over the forthcoming years. The Alliance can contribute significantly to the Facility's multi-year plan, representing a broadening of the beneficiaries that can be reached by the Facility's work and an increase in partnerships with a wider community to accomplish this. The proposed structure of the

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<sup>25</sup> Allianz, Aon, AXA, Axis Capital, Blue Marble, Celsius Pro, Convex, Europa Re, Gallagher Re, Guy Carpenter, Hannover Re, Hiscox, Howden, Munich Re, Renaissance Re, SCOR, Swiss Re, Willis Towers Watson and Zurich Insurance.

Alliance has at its core a management secretariat responsible for overall management of the programme of work, technical assistance to countries, and research, evidence and advocacy. Similar to the Tripartite Agreement, Takaful and Retakaful companies will work to develop increasingly influential Takaful solutions for at-risk populations and countries, while governments in partner countries work with the Alliance to develop the best possible conditions for the growth of Takaful as a solution to financial vulnerability, with donors and philanthropies financing the work.

### **Microinsurance Network (MiN)**

MiN is a not-for-profit membership-based association registered in Luxembourg, and its Landscape Reports provide a unique benchmark for tracking the development of the microinsurance and inclusive insurance sectors in emerging markets, particularly in the African, Asian, and Latin America and the Caribbean (LAC) regions. The Facility's partnership with MiN is to jointly develop and publish the yearly Landscape Reports that MiN began conducting in 2010. UNDP, through its engagement, is supporting the transformation of the Landscape Report to go beyond inclusive insurance and reflect better the impacts of insurance on the development agenda. This collaboration has implications on both content and global positioning. It is a piece of the Facility's multi-year output 1 engagement at the global and regional levels on inclusive insurance to influence agendas and promote lessons, while being among the knowledge products that the Facility helps develop and disseminate under output 6.

### **International Cooperative and Mutual Insurance Federation (ICMIF) Foundation**

The ICMIF Foundation was established by ICMIF and incorporated in 2015 as a registered charity in England and Wales. Its mission is to strengthen resilience against risks for low-income vulnerable communities by promoting risk reduction and prevention activities in low-income communities and working with community-based organisations to facilitate access to appropriate mutual microinsurance through financial education, infrastructure development and training. The Foundation's partnership with IRFF on an Insurance Innovation Challenge was launched in 2022 and is open to all mutual and cooperative insurers to help them scale up innovative, affordable and inclusive insurance products which specifically serve the needs of underserved households and/or micro, small and medium-sized enterprises (MSMEs), with a particular focus on women, in developing economies. The challenge thereby contributes not only to the Facility's insurance innovation efforts under output 6 but the scaling of solutions to reach target beneficiaries under output 1.

### *UNDP and UN*

Given that insurance and risk finance can be applicable in numerous sectors, there are many crossovers with other parts of UNDP and UN agencies.

### **Sustainable Finance Hub (SFH)**

The Insurance and Risk Finance Facility is embedded in the SFH at all levels - globally, regionally and at the country level. Our collaborations span various areas, with notable focus on:

1. **Integrated National Financing Frameworks:** Building on UNDP's expanding work in this area, the Facility will work closely with the INFF team to implement a series of actions focused on integrating risk analytics and modelling into development financing, which includes the development of policy note, country guidance note, and training around risk-informed INFFs.



2. **Business Call to Action:** The Facility partnerships include some of the largest and most influential corporations in the world, up to CEO level, which can be leveraged to enhance BcTA's membership and extend its outreach.
3. **SME/Private Sector:** Given their critical role in development, there is a strong focus within the Facility on working to protect SMEs and other businesses, which increasingly (and especially in light of the impact of COVID-19) can be leveraged to develop and deploy joint projects and programmes, with complementary technical assistance from the Facility team on insurance and risk finance aspects, tools, products.
4. **SDG Impact:** Output 4 of the Facility focuses on resilient insurance investments and SDG impact, providing an avenue for collaboration with the insurance industry to bolster its investment in sustainable development.
5. **SFH Academy:** The IRFF integrates into the service offering of the Sustainable Finance Hub, with its trainings incorporated into the SFH Academy offer. An e-module has been created already and forms part of the SFH eLearning repertoire. Additionally, through the Facility's participation in the SDG Academies across the world, our regional and technical experts share insights into IRFF's work with UNDP Country Offices and teams, fostering a deeper understanding of our technical space, the impact the Facility wants to achieve, and the intersections with other development issues addressed by UNDP.
6. **Sustainable Insurance Forum (SIF):** The Sustainable Insurance Forum (SIF), hosted by UNDP's SFH, is the global leadership group of insurance supervisors and regulators working to strengthen understanding and understanding and responses to sustainability issues. Together, SIF and the IRFF are jointly organise information sessions with our national coordinators to foster greater integration from insurance regulators into SIF activities. Plans to jointly fundraise are in development.

#### **UNDP Biodiversity Finance Initiative (BIOFIN)**

UNDP's BIOFIN and the IRFF are integrating insurance and related financing mechanisms into the management of natural and man-made hazards to people, wildlife, assets and habitats. The 2 global UNDP teams have outlined areas of synergies and will be working together on a set of shared deliverables on global, regional and country levels. The scope of initial joint work includes, among other elements, development of a technical guidance note, entries on insurance into the BIOIN catalogue, and country-specific risk assessments. The projects will also strengthen synergies on regional and country levels, exploring the development of nature resilience insurance schemes for specific countries.

#### **Africa Adaptation Initiative**

To support the implementation of the project "Enhancing Knowledge and Evidence to Scale-up Climate Change Adaptation in Africa via the Africa Adaptation Initiative" (AAI) - funded by the European Union with the objective to enable the AAI to better facilitate, coordinate and provide support to African countries in advancing climate adaptation action in accordance with national climate goals in support of the implementation of the Paris Agreement and the Agenda 2030- the IRRF has developed a series of online training sessions and a regional in-person training to increase understanding of Climate and Disaster Risk Finance in the African context, with Stellenbosch University as the implementing partner.

#### **Other UNDP Collaborations**

Thematic areas of collaboration that are already in development are:

1. **Health:** A critical sector and one of the key areas for the insurance industry, it represents an important opportunity area for development and work has already commenced with the health team on considering joint technical platforms for mic-insurance and rethinking massive health

inequalities in the wake of COVID-19. Together, the IRFF and Health team released a joint publication on Insurance and Telemedicine in Africa: A moonshot in response to COVID-19 outlining ways that technology could increase the affordability and accessibility of healthcare in Africa.

2. DRR: Risk reduction is a key platform for risk financing and there is excellent potential to build upon UNDP's long-term engagement with countries on the development of DRR law and national disaster management agencies, and leverage that to work on the financing of risk. Additionally, risk finance and insurance can play a powerful role in incentivising risk reduction and therefore integrated approaches are important. Plans are in development to align workplans in Senegal and Mozambique as a pilot to future operations.
3. Gender and Women's Empowerment: It is critically important to implement a gender-smart approach across all development work, ensuring that gender-blind spots are well identified and addressed from project design to implementation and to monitoring and reporting. Insurance offers significant potential to target key beneficiaries, such as women, single-headed households etc, with specific products designed to enhance their protection (life, livelihoods, assets) and support empowerment (such as financial inclusion.) On the other hand, a gender-inclusive approach offers broader development and opportunities for economic growth, for example the global market potential for women is estimated to be \$1.7 trillion, with emerging markets – those with the greatest protection gap, accounting for more than half of this.
4. Inclusive Growth: There is a strong interplay between social protection, financial inclusion, SME development, social development, and insurance. With the integration of insurance as a tool for both building resilience and protecting the achievements of social and economic development, there is a long-term opportunity to integrate insurance elements to all interventions linked to inclusive growth. Particular synergies exist in specific areas such as adaptive social protection, where programmatically it is envisioned to develop cases of joint work.
5. Human Development Report: With investments in research and evidence central to the Insurance and Risk Finance Facility implementation, a collaboration with the HDRO team is already in development, with a focus on how the expertise of industry through risk modelling and analytics can both support HDR development, with alignment with the HDR providing the Facility with a strong statistical and credible base to develop and implement its regular 'state-of-the-system' report. As part of its partnership with Generali, the Facility and the Italian Ministry of Foreign Affairs hosts an annual European launch of the HDR in Venice to key stakeholders across the Italian and development ecosystems.
6. Climate and Energy Teams: There is a particularly strong connection with the Climate and Energy Teams as climate change and natural perils pose a plethora of risks. After discussions the focus of this internal connection will be in several areas – energy, and related to the provision of energy to 500 million people by de-risking energy investments through insurance; and climate policy, and specifically the integration of insurance and risk financing into NDCs and NAPs.
7. Vertical Funds Team: Projects with the vertical funds, including Green Climate Fund (GCF), Global Environmental Facility (GEF) and Adaptation Fund, often have opportunities to integrate an insurance and risk finance component to support long-term resilience. The IRFF has advised several GEF and GCF projects on ways to integrate insurance and risk financing including a recent FARM+ proposal submitted to the GEF which aims to integrate insurance for smallholder farmers to incentivize them to stop using agrochemicals.

8. Food and Agricultural Commodity Systems (FACS): There is significant alignment between the Facility's work in Financial Resilience in Agriculture (FRA), which links to both smallholder farmers and broader food systems resilience, and the work of the FACS team. Conversations are ongoing between both teams to ensure future alignment as the FRA programme becomes increasingly operational.

#### **International Labour Organization (ILO)**

In partnership with the ILO's Impact Insurance Facility, 4 training modules have been developed to build the capacity of national insurers to implement inclusive insurance programmes. These modules are delivered with national insurance training institutions. This intervention fosters sustainable business models for the training institutions to replicate and integrate this content to their curricula, strengthens the skills of staff in insurers, regulators, and distribution channels to serve new market segments with more relevant insurance covers.

#### **Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small-Island Developing States (UN- OHRLLS)**

IRFF has identified the weakness of sustainable financial risk management within LDCs as a critical area to be addressed to help LDC progress and tackle their climate and development challenges. Under the Engagement Initiative, the IRFF is already working with countries to tackle underlying challenges. As a direct response to the Doha Programme and the increasing pressure LDCs are facing, UNDP will work with UN-OHRLLS and other partners to significantly upscale the initiative from its current scope of 3 countries to up to 20. The initiative will use its structure of in-country governance components enhanced by a strong global component led by UN-OHRLLS: fostering demand for insurance and risk financing; enabling regulatory environment for insurance; creating capacity and understanding for insurance and risk finance; global and regional advocacy and south- south learning.

#### **World Food Programme (WFP)**

UNDP and WFP have agreed to work together on a range of programmatic collaborations at the country level, with the aim of leveraging work done by both institutions on agricultural insurance and food security. The objective will be to build programmatic synergies and further implement insurance solutions enhancing the financial resilience of smallholder farmers.

#### **Risks and Assumptions**

There are 3 risks in particular with potentially high impacts on the Facility's delivery. The full global risk log is provided as an annex.

- A change in donor priorities, engagement, and financial resources (risk #6 in the risk log). The salience of this risk was made clear by the unprecedented impact of external factors such as COVID-19 and wars on national budgets, tax revenues and global trade. However, IRFF is actively seeking additional funding from new donors, leveraging the sizeable early grants to secure new funding lines and expand its work. An assumption is that increasing the number of donors to the Facility should cushion any adverse impact on its programming and any one donor if another's priorities or budgets change. In addition, regular high-level and technical meetings with current donors will be critical to secure the financing that is already built into the existing agreements. It is assumed that together, these measures will bolster the long-term financial sustainability of the Facility.

- The potential of insurance partners (whether mutual/cooperative or private sector) deciding to pull resources out of their engagement with UNDP (risk #2 in the risk log). Significant withdrawals of industry resources would have a huge negative impact. For IRFF's own programming, the entire delivery package is based upon partnership with industry; the IRFF will not, for example develop and distribute insurance of its own. The partners will do that with the IRFF's support. To mitigate the risk, IRFF's global and strategic activities through to country implementation are designed and managed with the partners. This applies all along the way from country selection to sector selection, to the design and delivery of insurance/risk finance tools, products, and solutions. The IRFF team is also using the Innovation Challenge mechanism for solution development that will try to create the incentives for the private sector to work jointly with UNDP, whether on risk financing or insurance. An assumption is that through UNDP's continued use of its central role within the insurance/development community, such as its co-chairing of the IDF, it shall be able to maintain leadership and technical working relationships across a wide range of industry.
- The ISF approval process can take a significantly long time – an average of 24 months (risk #10 in the risk log). Mitigation measures have been applied, such as guaranteeing some financial resources to the newest Tripartite programme countries for at least 1 year. However, there are still substantial delays in the industry processes, negatively impacting the delivery pace and potentially leading to losing momentum with national governments. The ISF process is expected to transition to a Global Shield Solutions Platform and through this process, discussions are underway with UNDP and IDF on streamlining procedures. Recognising that the changes may not be sufficient to improve modalities of funding, UNDP, IDF and BMZ are working to explore structures of support to relieve pressure from this process, such as through the development of a programme management unit which can take on some of the follow up work and streamline inputs to the ISF. There is also an assumption that resulting delays in project implementation that are due to external factors such as approval processes or change of governments can be discussed with donors to allow for suitable extensions to delivery timelines where needed.

### **Stakeholder Engagement**

Critical stakeholders and target groups will be varied, depending on the aspects of the Facility's operation. For example, at the global level will be UNDP's delivery partners within the Insurance Development Forum, ICMIF (ICMIF Foundation) and more, as well as key governmental fora as the V20 group of countries. At the country level implementation partners will obviously be key stakeholders. Within government, much of the work will be undertaken directly with Ministries of Economy or Finance, and with specialised bodies such as insurance regulators. Other key partners will be distributors of insurance at the country level such as national private sector, credit unions and micro-finance institutions. And finally, beneficiary populations will certainly be critical, with dedicated finances set aside not only for enabling environment work but also for the development and deployment of insurance tools and products together with partners – each of these will be tailored directly to the context of beneficiary populations.

These stakeholder groups and partnerships will be actively managed. At the global level this will be through the critical fora that UNDP co-leads, and this will be mirrored in each region. At the country level, in countries which will receive financing as part of the Facility's operations, dedicated resources are set aside for convening, bringing together stakeholders both in the areas of inclusive insurance and risk finance.

### **South-South and Triangular Cooperation (SSC/TrC)**

This will be a critical component of project delivery, with key interventions that link to all outputs. Within both the inclusive insurance and risk finance work, for example, dedicated resources are set aside to not only share lessons across the countries in which detailed work will be undertaken (both physical meetings/workshops and virtual) but also to share those lessons (and related tools, guidance, and support) beyond to all UNDP Country Offices and through their partner countries.

### **Digital Solutions**

The application of digital solutions by the Facility is expected to contribute to and benefit from the [UNDP Digital Strategy 2022-2025](#), given that the application of digital solutions can contribute to increasing the scale, transparency and efficiency with which insurance and risk financing solutions, tools and systems are implemented.

In several countries, digital solutions will be integrated into elements such as monitoring climate events (such as through remote sensing) to assess whether parametric insurance triggers have been met, registration and roll out of participants, claim management processes, and payouts to beneficiaries (such as through mobile money). IRFF is also looking to drive online dissemination and adoption of its knowledge products and tools, including e-learning and webtools. This is part of delivering the Facility's digital communications strategy and is in line with the UNDP rollout of a Digital by Default approach when considering how outputs are delivered.

### **Knowledge**

As elaborated earlier in this document, knowledge management, advocacy, research and evidence are critical, cross-cutting components of the work of the Insurance and Risk Finance Facility and are part of the work in output 6. The Facility's outputs therefore feature a range of materials that not only create credibility and visibility for knowledge and lessons learned but deepen engagement with industry and influence other work across the insurance/development nexus. The types of knowledge outputs that are being produced include regular reports, policy papers and technical guidelines, and training and capacity building materials.

Diagnostic reports are produced for all countries with the Tripartite Programme, Engagement Initiative and BMZ-financed tailored delivery programming to assess the issues relevant to the insurance and risk finance environment in that country. The reports assist IRFF and stakeholders in understanding data gaps, challenges in the enabling environment for efficient insurance and risk financing, the level of integration of insurance or risk finance into development frameworks and financing, government capacity, and more. The analysis and recommendations heavily inform the development of the country's workplan. Bespoke diagnostic reports may also be produced for interested country offices upon agreement on the scope and required financing.

Thematic advocacy reports are also produced and, where practical have been developed with partners to incorporate different knowledge bases and leverage available resources efficiently. 3 examples are the [Building MSME Resilience in Southeast Asia](#) with Generali, [Insuring Nature to Reduce Risks](#) with ORRAA, and [Landscape of Microinsurance](#) reports by the Microinsurance Network that the Facility sponsors. Technical papers and guidance documents are also being developed, sharing technical insights and lessons learned from the Facility's programme implementation and the broader insurance for development ecosystem. One example is the [Inclusive Insurance Navigator](#), which condenses case studies and lessons

from experts for use by insurers, distribution channels and practitioners interested in developing inclusive insurance products and markets. The process of collecting and verifying the data for the Facility's publications also helps strengthen relationships and develop buy-in from stakeholders. Shorter, condensed outputs such as blogs and newsletters are also be developed to share information with IRFF stakeholders. The Facility's knowledge products are made available on the IRFF website. Learning mechanisms such as workshops and online clinics are being used to strengthen expertise and develop communities of practice. Workshops on topics such as climate disaster risk financing and the integration of gender into work on resilient countries and communities are being delivered to stakeholders such as government ministry officials, actuaries and trainers and short clinics will be delivered to IRFF and other UNDP personnel.

Annual reports are being developed that capture results and lessons learned from across the global, regional, and country implementation. These largely target donors and UNDP. Evaluation reports will be produced in 2024 and 2027, in adherence to the United Nations Evaluation Group (UNEG) Norms & Standards.

A dedicated platform will also be developed for financial resilience in agriculture featuring a knowledge sharing and curation component, community of practice for governments, stakeholder events and convenings and partnership and resource mobilization activities to ensure the longevity and scalability of the platform.

Finally, databases in CRM and across Microsoft applications such as SharePoint underpin programme coordination and making updated information available quickly to the IRFF team and UNDP more broadly. The databases are regularly updated by IRFF team members and help facilitate monitoring and reporting. The databases are represented in dashboards and presentations constructed with Power BI, CRM, the UNDP intranet.

### **Sustainability and Scaling Up**

Sustainability at the country level will be delivered through a strong emphasis on working with countries to construct sustainable markets for insurance (whether inclusive, risk financing or in areas of natural capital) with substantial investments made (together with critical partners) in areas of legislative and regulatory reform, together with institutional capacity. This will be balanced by similar long-term work on advocacy and knowledge with government and potential beneficiaries, together with training, education, and technological support for insurance distributors. Further sustainability will be achieved through a dedicated workstream on the integration of insurance and risk finance into development.

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## **IV. PROJECT MANAGEMENT**

### **Cost Efficiency and Effectiveness**

The project will be implemented under UNDP's Direct Implementation modality (DIM) both at the global and country level. It will be led by a central team within the Insurance and Risk Finance Facility but will be significantly dependent on strong working relations across many UNDP and external levels. It will require both regional bureaus and country offices for various aspects of coordination, and in the case of country offices, implementation. Thematically the project will require close working relationships with key UNDP/GPN thematic units, such as health, DRR, social protection. Additionally, the project will work with the insurance industry and not seek to duplicate its prime function of distributing insurance products;

rather it will seek to help transform markets and provide markedly improved insurance/risk transfer solutions for countries and communities through collaboration with industry.

Country Offices are key to the work of the Facility, and the central team works closely with programme countries to deliver critical aspects across enabling environment, market transformation and product development and delivery. Country Offices are encouraged to coordinate all relevant activities being implemented in country that contribute to the outcomes of IRFF. The development of an IRFF country workplan, in collaboration with both the central and country teams, serves as a strategic tool. It is envisaged that the funding allocated to each country aims to serve as a catalyst for additional initiatives, strategically intervening to maximize delivery and impact. To align and synchronize ongoing endeavours, thereby identifying synergies and facilitating integrated support. This approach is anticipated to enhance cost effectiveness by optimising global technical support and national coordination. At the regional and global level, this is done through designing and resourcing joint solutions that draw on expertise and capacity from across various teams.

The global scope of the Programme allows for sharing of best practices that support project implementation. The tools, methodologies, insights, and outcomes are not limited to the participating countries alone. Instead, they are being shared through established channels within the Facility and SFH, creating a multiplier effect that extends the benefits to a wider range of countries and practitioners.

### **Project Management – Global and Country**

The project embraces a structured approach supported by a robust project management system, ensuring streamlined coordination, effective execution, and timely attainment of objectives.

#### *Global Team*

A Global team Lead based in UNDP Geneva, is responsible for programme oversight and implementation and draws on 3 complementary pillars: 1) Integrated Technical Support, (2) Global Engagement and Advocacy and (3) Coordination and Operations. This organisational framework comprising distinct yet interconnected pillars, facilitates efficient and cost-effective program delivery processes, including contractual and financial management, operational processes, team coordination, progress tracking, donor reporting, evaluation, knowledge acquisition, as well as critical services such as private sector partner due diligence exercise and risk monitoring, data analysis, communications, and outreach. The global team also provides support for financial and project quality assurance related transactions including audit, spot check and evaluation. The programme will be audited as per UNDP Financial Regulations and Rules and applicable audit policies. With the Facility receiving its resources from multiple donors with varying levels of investment and timeframes, this central management system allows for continuity, comprehensive implementation and oversight and consistent support to countries. See Annex I for the Project Organogram.

#### *Country Team*

At the country level the project is overseen by UNDP Country Office Lead. The Country offices are responsible for country-level project implementation. The day-to-day implementation of activities are undertaken by National Project Officers (NPOs) under the guidance of respective Regional Technical Leads within the Global Integrated Technical pillar, and support from the country office. NPOs also receive support from the Global Teams as necessary and are responsible for reporting results to the global team. Any responsible party selected at national level will undergo assessment by the UNDP Country Offices in adherence to UNDP POPP, including compliance with HACT requirements.

### Country Locations

The IRFF is currently has a programmatic footprint of 34 countries, with some countries hosting more than 1 programme.

<b>BMZ-funded Tripartite Programme</b>	<b>BMZ-funded Engagement Initiative and Tailored Delivery</b>	<b>BMGF-funded Financial Resilience in Agriculture</b>	<b>Insurance Innovation Challenges</b>	<b>ORRAA-funded Tailored Delivery</b>	<b>UNDP-funded Tailored Delivery</b>
<b>RBA:</b> Ethiopia Ghana Madagascar Mozambique Nigeria Tanzania  <b>RBAP:</b> Bangladesh Nepal Pakistan Thailand Viet Nam  <b>RBAS:</b> Egypt Jordan  <b>RBEC:</b> Uzbekistan  <b>RBLAC:</b> Argentina Colombia Ecuador Mexico Dominican Republic	<b>RBA:</b> Comoros Senegal Uganda  <b>RBAP:</b> India Indonesia  <b>RBAS:</b> Algeria	<b>RBA:</b> Ethiopia Tanzania Uganda  <b>RBAP:</b> Bangladesh India	<b>RBAP:</b> India Sri Lanka  <b>RBA:</b> Kenya Malawi Malaysia	<b>RBAP:</b> Indonesia	<b>RBAS:</b> Ukraine Yemen  <b>RBAP:</b> Maldives Philippines Bhutan

The country selection process differs by programme:

- For the Tripartite Programme and Engagement Initiative, country selection is based on 3 indicators - relevance, demand, and feasibility. Assessing relevance includes using the InsuResilience InsuRisk Tool and other indicators to assess a country's exposure to risk and its readiness for insurance.



Demand is gauged by reviewing the availability of disaster risk financing policies and strategies in the country and in some cases, whether insurance is mentioned in broader policies (e.g., Nationally Determined Contributions, National Action Plans and Integrated National Financing Frameworks). Feasibility is assessed via a quick high-level review of other organisations working in risk financing in the country to determine where there is over saturation ensuring that gaps are well identified. Assessment from IRFF and UNDP colleagues on the ground in each of the countries is shared with BMZ, and once UNDP and BMZ identify a shortlist, it is put forward to industry partners through the SHS Working Group of the IDF. There is a 2-week period in which industry partners can express interest in working in a given country. If the country obtains industry interest, provided it meets some checks put in place to ensure fair competition, the team proceeds with selection of the country.

- The tailored delivery countries funded by BMZ (India and Indonesia) were selected following specific requests from government to the UNDP country offices. The requests were communicated and BMZ agreed that they should be addressed. The selection of the countries also aligned with the thematic and country priorities of BMZ, such as their existing work in India on disaster risk financing.
- The selection of Indonesia for the work funded by ORRAA leverages the existing work of IRFF in Asia on blue natural capital and the selection of Maldives was for the development of a bespoke diagnostic requested by and discussed with the Maldives country office. The selection of Ukraine and Yemen for tailored work was based on country demand, the IRFF's professional relationships with the war risk insurance sub-sector, and the Facility's offer on fragile and conflict-affected states.
- The countries for the Financial Resilience in Agriculture work funded by the Bill & Melinda Gates Foundation were selected based on their level of climate vulnerability, potential programmatic impact on women, financial sector readiness, indicators of food security and crop diversification. All 5 countries also have engaged UNDP offices with capacity to execute the programme.
- The countries selected for the ICMIF Insurance Innovation Challenge were determined through a global call for proposals and the competitive selection of winners. Generali selected Malaysia as the target of the Innovation Challenge it has with UNDP. The larger Innovation Challenge being set up by the Facility will operate in all programme countries where it has a workplan.

## V. RESULTS FRAMEWORK

This framework has been updated with new and revised output indicators relative to what originally came into effect in 2020. These updates reflect challenges to project implementation activities that were presented by COVID as well as the expanded workstreams of the Facility. Concerning the output indicators that have been modified, the corresponding indicator number from the original results framework is indicated in square brackets within the “Output Indicators” column. Square brackets in the column also highlight when an indicator has been removed or is new.

	<b>SP Outcome: Outcome 1</b>
	<b>Applicable Output(s) from the UNDP Strategic Plan: E.3 Public and private financing for the achievement of the SDGs expanded at global, regional, and national levels</b>
	<b>Project title and Quantum Project Number:</b> Insurance and Risk Finance Facility, Project Number: 00124347, 00129764, 00132835, 00133828, 00129767,00133838, 00133823, 00133832, 00133833, 00133834, 00129766, 00129798, 00129799, 00133827, 00133695, 00132249, 00133775. 00133836., 00133831, 00133829. 00133839, 00130656, 00133830, 00133835,00133837,00129765, 00132444, 00134291, 00100243, 01000244, 01000245, 01000410, 01000411

EXPECTED OUTCOME	OUTPUT INDICATORS	DATA SOURCE	Baseline Value	Baseline Year	Year 2020 - 2023 Target <sup>26</sup>	Year 2024 Target	Year 2025 Target	Year 2026 Target	Year 2027 Target	CUMULATIVE	DATA COLLECTION METHODS & RISKS <sup>27</sup>
<b>Output 1 - Resilient Households, Businesses and Food Systems</b>	1.1 Number of processes undertaken <sup>28</sup> to support public institutions and programmes to improve inclusive insurance regulation and public policies [Original 1.1 modified]	Facility Team and COs	0	2020	13	3	3	4	4	27	Country Survey & Reporting
	1.2 Number of joint initiatives with the private sector to promote the development of inclusive insurance [Original 1.2 modified]	Facility Team and COs	0	2020	15	2	2	4	4	27	Country Survey & Reporting
	1.3 Number of insurance products and solutions developed, improved or scaled up [Original 1.3 modified]	Facility Team and COs	0	2020	0	0	5	10	12	27	Country Survey & Reporting
	1.4 Number of people that are beneficiaries of inclusive insurance solutions [Standing indicator – original 1.5. Original 1.4 dropped]	Facility Team and COs	0	2020	0	0	0	5,000,000	5,000,000	10,000,000	Country Survey & Reporting

<sup>26</sup> The 2020 - 2023 targets build mainly on the cumulative results for 2020,2021 and 2022. Note that all figures in this results framework are articulated as when work commences in each area, not necessarily is completed (which will be reflected in reporting as the IRFF work is further implemented.). Furthermore, the targets indicated for each year are not cumulative figures. Completed processes will be report within the corporate IATI system.

<sup>27</sup> Note that a standard set of risks do exist for data collection, including CO low reporting rates, incorrect application of standards, measurement errors, as related operational risks such as delay to the finalization of work schedules.

<sup>28</sup> The phrase “processes undertaken” refers to processes that have been commenced.

EXPECTED OUTCOME	OUTPUT INDICATORS	DATA SOURCE	Baseline Value	Baseline Year	Year 2020 - 2023 Target <sup>26</sup>	Year 2024 Target	Year 2025 Target	Year 2026 Target	Year 2027 Target	CUMULATIVE	DATA COLLECTION METHODS & RISKS <sup>27</sup>
	1.5 Number of countries to benefit from capacity building on Disaster Risk Finance for Agriculture (DRFA) to manage risks and improve livelihoods of poor rural households who depend on agriculture [NEW]	Facility Team	0	2021	5	2	0	0	0	10	Global Facility Monitoring
	1.6 Number of joint initiatives with the donors and private sector to promote the development of Agriculture insurance for farmers [NEW]	Facility Team and COs	0	2021	6	1	0	0	0	7	Global Facility Monitoring
<b>Output 2 – Resilient Countries and Communities</b>	2.1 Number of processes undertaken to support public institutions and programmes to improve risk finance regulation and public policies [Original 2.1 modified]	Facility Team and COs	0	2020	27	0	0	0	0	27	Country Survey & Reporting
	2.2 Number of countries using risk modelling and analysis to develop risk-financing strategies [NEW]	Facility Team and COs	0	2021	0	0	0	5	5	10	Country Survey & Reporting
	2.3 Number of countries supported to develop Disaster Risk Financing strategies <sup>29</sup> [NEW]	Facility Team and COs	0	2021	1	5	6	8	7	27	Country Survey & Reporting, Tripartite Agreement Monitoring

<sup>29</sup> Note that the actual take-up of risk financing solutions by government is not subject to UNDP's complete control. On the one hand industry will have responsibility to create appealing, affordable solutions that could be financed by government. Government meanwhile would have to agree to those solutions and to set aside those finances for the premium. Throughout both these processes, stakeholder management and convening will be managed by UNDP, but the final decision on whether or not risk financing solutions are made, will rest with our partners in government.

EXPECTED OUTCOME	OUTPUT INDICATORS	DATA SOURCE	Baseline Value	Baseline Year	Year 2020 - 2023 Target <sup>26</sup>	Year 2024 Target	Year 2025 Target	Year 2026 Target	Year 2027 Target	CUMULATIVE	DATA COLLECTION METHODS & RISKS <sup>27</sup>
	2.4 Number of risk finance solutions developed [Original 2.2 modified]	Facility Team	0	2020	0	0	5	13	9	27	Global Facility Monitoring
	2.5 Number of people benefiting from sovereign risk financing [NEW]	Facility Team	0	2021	0	0	7,000,000	7,000,000	11,000,000	25,000,000	Country Survey & Reporting
	2.6 Number of innovative risk finance tools delivered (for Least Developed Countries and fragile and conflict affected states) [Original 2.3 modified]	Facility Team	0	2020	0	0	2	2	3	7	Country Survey & Reporting
<b>Output 3 – Resilient Nature</b>	3.1 Number of mappings of key natural capital hazards, potential solutions, and identification of country stakeholders [Original 3.1 modified]	Facility Team	0	2020	2	0	1	2	3	7	Global Facility Monitoring
	3.2 Number of initiatives on creating enabling environment through identification of gaps in policies and regulatory framework, and recommending solutions [Original 3.2 modified]	Facility Team	0	2020	3	0	2	2	1	8	Global Facility Monitoring
	3.3 Number of new natural capital risk insurance and finance solutions developed with industry [Original 3.3 modified]	Facility Team	0	2020	0	0	4	4	0	8	Global Facility Monitoring
	3.4 Number of awareness and capacity building initiatives for stakeholders [NEW]	Facility Team	0	2021	8	0	1	2	3	14	Global Facility Monitoring

EXPECTED OUTCOME	OUTPUT INDICATORS	DATA SOURCE	Baseline Value	Baseline Year	Year 2020 - 2023 Target <sup>26</sup>	Year 2024 Target	Year 2025 Target	Year 2026 Target	Year 2027 Target	CUMULATIVE	DATA COLLECTION METHODS & RISKS <sup>27</sup>
<b>Output 4 – Resilient Investments</b>	4.1 Analysis of insurance industry SDG investment potential [Standing indicator]	Facility Team	0	2020	1	0	1	2	3	7	Global Facility Monitoring
	4.2 Number of baseline assessments of industry investment and national ecosystem and local regulations [Standing indicator]	Facility Team	0	2020	0	0	3	4	5	12	Global Facility Monitoring
	4.3 Number of countries supported to develop new resilience finance mechanisms and structures that leverage insurance [Original 4.3 modified]	Facility Team and COs	0	2020	0	0	2	3	3	8	Country Survey and Reporting
	4.4 Number of countries supported to develop energy projects benefiting from insurance [Original 4.4 modified]	Facility Team and COs	0	2020	0	0	1	2	2	5	Global Facility Monitoring
	4.5 Number of countries supported to identify insurance investment opportunities [NEW]	Facility Team and COs	0	2021	0	0	2	2	3	7	Country Survey and Reporting
<b>Output 5 – Safeguarding and Incentivising Development</b>	5.1 Number of UNDP Country Offices supported for utilising insurance and risk-financing in their development support to governments [NEW]	Facility Team and COs	0	2021	7	0	0	0	0	7	Country Survey and Reporting

EXPECTED OUTCOME	OUTPUT INDICATORS	DATA SOURCE	Baseline Value	Baseline Year	Year 2020 - 2023 Target <sup>26</sup>	Year 2024 Target	Year 2025 Target	Year 2026 Target	Year 2027 Target	CUMULATIVE	DATA COLLECTION METHODS & RISKS <sup>27</sup>
	5.2 Number of countries where Insurance/Risk financing expertise integrated into development/financial planning and management [Standing indicator – original 5.1]	Facility Team and COs	0	2020	0	0	0	13	14	27	Country Survey and Reporting
	5.3 Number of countries where guidance on integration of Insurance/Risk Finance into critical national development frameworks is provided [Original 5.2 modified]	Facility Team and Cos	0	2020	0	0	0	13	14	27	Country Survey and Reporting
	5.4 Number of regional strategies with implementation commenced [NEW]	Facility Team and Regional Hubs	0	2021	1	2	2	0		5	Global Facility Monitoring
<b>Output 6 – Advocacy, Partnerships and Innovation</b>	6.1 Number of diagnostic reviews of insurance and risk financing [Original 6.1 modified]	Facility Team	0	2020	20	8	0	0	0	28	Country Survey and Reporting
	6.2 Number of audience interactions <sup>30</sup> [NEW]	Facility Team	0	2021	214,572	200,000	200,000	200,000	200,000	1,014,572	Global Facility Monitoring
	6.3 Number of events, fora and media products that give visibility to the IRFF [Original 6.2 modified]	Facility Team	0	2020	328	150	150	150	50	828	Global Facility Monitoring

<sup>30</sup> The term “audience interactions” is shorthand for low-commitment, audience-generated metrics. Namely, the cumulative number of visits to the IRFF website; reports downloaded from the IRFF website; subscribers to IRFF newsletters; social media tags and shares; and attendees at events where the IRFF is leading or participating.

EXPECTED OUTCOME	OUTPUT INDICATORS	DATA SOURCE	Baseline Value	Baseline Year	Year 2020 - 2023 Target <sup>26</sup>	Year 2024 Target	Year 2025 Target	Year 2026 Target	Year 2027 Target	CUMULATIVE	DATA COLLECTION METHODS & RISKS <sup>27</sup>
	6.4 Number of flagship reports and other knowledge products produced [Original 6.3 modified]	Facility Team	0	2020	17	3	3	3	3	29	Global Facility Monitoring
	6.5 Level of uptake of insurance and risk financing training <sup>31</sup> [Original 6.4 modified]	Facility Team	0	2020	544	400	400	450	250	2044	Global Facility Monitoring
	6.6 Number of Challenge Fund applications and/or similar competitive modalities funded <sup>32</sup> [Original 6.6 modified. Original 6.5 dropped]	Facility Team	0	2020	0	3	12	5	4	24	Global Facility Monitoring
	6.7 Number of new partnerships with donors, industry and the wider community for increasing the technical and financial resources of the IRFF [NEW]	Facility Team	0	2021	7	4	3	4	4	22	Global Facility Monitoring

<sup>31</sup> Number of people trained in insurance and risk financing. For internal reporting, the IRFF will also report on the range of modules developed both for country office and global consumption (i.e., SFH Academy) and the range of countries and institutions that utilise the training.

<sup>32</sup> For internal reporting, the IRFF will also capture the number of applications received, the countries they are from, and other profile markers.



## VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans: *[A budget of USD 280,000 has been set aside to undertake these activities as required, see budget plan.]*

### Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action
<b>Track results progress</b>	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.
<b>Monitor and Manage Risk</b>	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. The global project management team will have an important role to play in risk oversight and management vis-à-vis country office activities as supported -in both technical/substantive and financial terms- by the global project. This oversight role includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken. The project team will work with country offices to ensure that risks have been identified, assessed and reflected in the risk log of the project under which technical/substantive and/or financial support have been received from the global project. It will be important to flag which risks identified through country level risk assessments should be reflected in the global project risk log, allowing for risk escalation if the situation arises.
<b>Learn</b>	Knowledge, good practices and lessons will be captured	At least annually	Relevant lessons are captured by the project

	regularly, as well as actively sourced from other projects and partners and integrated back into the project.		team and used to inform management decisions.
<b>Annual Project Quality Assurance</b>	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.
<b>Review and Make Course Corrections</b>	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.
<b>Project Report</b>	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)	
<b>Project Review (Project Board)</b>	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	Annually (at minimum)	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.

**Evaluation Plan**

<b>Evaluation Title</b>	<b>Partners (if joint)</b>	<b>Related Strategic Plan Output</b>	<b>UNDP Strategic Plan Outcome</b>	<b>Planned Completion Date</b>	<b>Key Evaluation Stakeholders</b>	<b>Cost and Source of Funding</b>
Mid-Term Evaluation	N/a	1.2.2	1	October 2024	Beneficiary populations and country governments	Germany, Other Donors
Final Project Evaluation	N/a	1.2.2	1	Q2 2027		

## VII. MULTI-YEAR WORK PLAN <sup>3334</sup>

This multi-year work plan has been updated to align with the updated Results Framework above. Similarly, the planned activities that have been modified are indicated as such within square brackets. The planned activities that are new also indicated with square brackets.

EXPECTED OUTPUTS	PLANNED ACTIVITIES	RESPONSIBLE PARTY	Funding Source	Budget Description	Planned Budget by Years					Amount
					Prior Years (2020 - 2023)	Y2024	Y2025	Y2026	Y2027	
<b>Output 1: Resilient Households, Businesses and Food Systems</b>  <i>Gender marker:2</i>	1.0 Staff Costs - Leadership, Advocacy, Technical Assistance, Oversight, Coordination and Support services across Output 1 at the Global, Regional and Country level [new]	UNDP	Bill and Melinda Gates Foundation BMZ Generali Unfunded	Personnel Costs (Fix Term, Temporary, IPISA)	2,019,240	976,848	1,054,896	1,048,072	971,224	6,070,281
	1.1 Engagement at the global and regional levels on inclusive insurance initiatives to influence agendas and promote the	UNDP Microinsurance Network	Bill and Melinda Gates Foundation BMZ Milliman (Probono) Unfunded	Policy Advisory/Technical Support Workshops Travel Consultants Knowledge and Advocacy Products	1,280,672	1,383,073	2,147,000	2,114,850	114,000	7,039,595

<sup>33</sup> Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

<sup>34</sup> Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

EXPECTED OUTPUTS	PLANNED ACTIVITIES	RESPONSIBLE PARTY	Funding Source	Budget Description	Planned Budget by Years					Amount
					Prior Years (2020 - 2023)	Y2024	Y2025	Y2026	Y2027	
	lessons and work by the IRFF on the subject <i>[NEW. Original 1.1 and 1.2 dropped]</i>			Probono Services						
	1.2 Market transformation and development of the enabling environment through training, technical assistance, and engagement with public and private actors at the country level <i>[modified from original 1.3]</i>	UNDP	Bill and Melinda Gates Foundation BMZ Unfunded	Policy Advisory/Technical Support Workshops Travel Consultants	61,559	3,663,553	3,859,162	4,019,012	1,353,414	12,956,700
	1.3 Inclusive insurance solutions launched or scaled up to reach the target beneficiaries, including with premium financing from the Resilience Share <i>[modified from original 1.4]</i>	UNDP, ICMIF, ILO	Bill and Melinda Gates Foundation BMZ Howden Unfunded	Workshops Travel Consultant Policy Advisory/Technical Support Knowledge and Advocacy Products	349,336	518,760	972,418	2,688,934	144,420	4,673,868
	1.4 Development of capacity and creation of joint initiatives for	UNDP	Unfunded	Workshops and Engagement Meetings Travel			300,000	700,000		1,000,000

EXPECTED OUTPUTS	PLANNED ACTIVITIES	RESPONSIBLE PARTY	Funding Source	Budget Description	Planned Budget by Years					Amount
					Prior Years (2020 - 2023)	Y2024	Y2025	Y2026	Y2027	
	disaster risk financing and insurance for agriculture in rural areas [NEW]			Consultants Policy Advisory/Technical Assistance						
	Sub-Total for Output 1				3,710,807	6,542,234	8,333,476	10,570,868	2,583,058	31,740,443
<b>Output 2: Resilient Countries and Communities</b>  <i>Gender marker:2</i>	2.0 Staff Costs - Leadership, Advocacy, Technical Assistance, Oversight, Coordination and Support services across Output 2 at the Global, Regional and Country level [new]	UNDP	Bill and Melinda Gates Foundation BMZ Howden Unfunded	Personnel Costs (Fix Term, Temporary, IPSA)	1,453,602	175,382	559,570	565,379	549,005	3,302,939
	2.1 Convening, leading and managing of joint work on risk financing between with the private sector, country offices and state actors [modified from original 2.2]	UNDP	BMZ Unfunded	Workshops and Stakeholder Meetings Consultant Travel Policy Advisory/Technical Support	15,952	332,496	2,225,000	3,175,000	2,175,000	7,923,448
	2.2 Legislative and regulatory reform and capacity development of public institutions	UNDP	BMZ Unfunded	Workshops and Stakeholder Meetings Consultant Travel	26,372	431,244	592,500	1,492,500	300,000	2,842,616

EXPECTED OUTPUTS	PLANNED ACTIVITIES	RESPONSIBLE PARTY	Funding Source	Budget Description	Planned Budget by Years					Amount
					Prior Years (2020 - 2023)	Y2024	Y2025	Y2026	Y2027	
	that is facilitated through technical assistance plans deployed across all target countries [modified from original 2.1]			Policy Advisory/Technical Support						
	2.3. Risk modelling systems and analysis developed, piloted, and rolled out across all target countries [NEW]	UNDP	BMZ Unfunded	Workshops and Stakeholder Meetings Consultant Travel Policy Advisory/Technical Support	993	71,874	70,000	1,070,000	2,070,000	3,282,867
	2.4 Disaster Risk financing supports and systems developed, piloted and rolled out across all target countries, including with premium financing from the resilience share [NEW]	UNDP	BMZ Howden Unfunded	Workshops and Stakeholder Meetings Consultant Travel Policy Advisory/Technical Support	19,170	585,992	418,000	318,000	200,000	1,541,162
	2.5 The development and delivery of risk financing products, tools and services for	UNDP	BMZ Unfunded	Workshops and Stakeholder Meetings Consultant Travel	7,893	71,874	120,000	120,000	120,000	439,767

EXPECTED OUTPUTS	PLANNED ACTIVITIES	RESPONSIBLE PARTY	Funding Source	Budget Description	Planned Budget by Years					Amount
					Prior Years (2020 - 2023)	Y2024	Y2025	Y2026	Y2027	
	varied countries (including conflict-affected countries and Least Developed Countries) <i>[modified from original 2.3]</i>			Policy Advisory/Technical Support						
	<b>Sub-Total for Output 2</b>				1,523,982	1,668,862	3,985,070	6,740,879	5,414,005	19,332,799
<b>Output 3: Resilient Nature</b>  <i>Gender marker:2</i>	3.0 Staff Costs - Leadership, Advocacy, Technical Assistance, Oversight, Coordination and Support services across Output 3 at the Global, Regional and Country level <i>[new]</i>	UNDP	BMZ ORRAA Stockholm University UNDP Biofin Unfunded	Personnel Costs (Fix Term, Temporary, IPSA)	405,561	60,000	1,019,285	1,019,574	19,868	2,524,288
	3.1 Global mapping of key natural capital hazards and risks, and identifying of country stakeholders <i>[modified]</i>	UNDP	Unfunded	Workshop and Engagement Meetings Consultants Design, Layout, Publication, Printing				3,000,000		3,000,000
	3.2 Developing an enabling environment through	UNDP	Unfunded	Workshops and Engagement Meetings Travel Consultants				2,000,000		2,000,000



EXPECTED OUTPUTS	PLANNED ACTIVITIES	RESPONSIBLE PARTY	Funding Source	Budget Description	Planned Budget by Years					Amount
					Prior Years (2020 - 2023)	Y2024	Y2025	Y2026	Y2027	
	identification of gaps in regulations and policies and recommending solutions [NEW. Original 3.2 dropped]			Policy Advisory/Technical Assistance						
	3.3 Identifying and building the awareness and technical capacity of stakeholders [NEW. Original 3.3 dropped]	UNDP	Unfunded	Workshops and Engagement Meetings Travel Consultants Policy Advisory/Technical Assistance			500,000	500,000		1,000,000
	3.4 The development and delivery of other natural capital risk products, tools, and services [NEW]	UNDP	BMZ ORRAA	Workshops and Engagement Meetings Travel Consultants Policy Advisory/Technical Assistance Knowledge Products	150,724	229,190	229,190			609,104
	<b>Sub-Total for Output 3</b>				556,285	289,190	1,748,475	6,519,574	19,868	9,133,392
<b>Output 4: Resilient Investments</b>  <i>Gender marker:2</i>	4.0 Staff Costs - Leadership, Advocacy, Technical Assistance, Oversight, Coordination and Support services	UNDP	BMZ Unfunded	Personnel Costs (Fix Term, Temporary, IPSA)	208,074		50,000	50,000	50,000	358,074

EXPECTED OUTPUTS	PLANNED ACTIVITIES	RESPONSIBLE PARTY	Funding Source	Budget Description	Planned Budget by Years					Amount
					Prior Years (2020 - 2023)	Y2024	Y2025	Y2026	Y2027	
	across Output 4 at the Global, Regional and Country level <i>[new]</i>									
	4.1 Country-level baseline assessments of insurance industry investment ecosystems and local regulations <i>[standing activity]</i>		Unfunded				50,000	75,000		125,000
	4.2 Identifying insurance investment opportunities and potential, particularly in the SDGs <i>[NEW]</i>		Unfunded					60,000		60,000
	4.3 Supporting regulatory reform and financing mechanisms that leverage insurance through workshopping current situations and setting roadmaps for future development <i>[modified original 4.2]</i>		Unfunded					60,000		60,000

EXPECTED OUTPUTS	PLANNED ACTIVITIES	RESPONSIBLE PARTY	Funding Source	Budget Description	Planned Budget by Years					Amount
					Prior Years (2020 - 2023)	Y2024	Y2025	Y2026	Y2027	
	4.4 Advocating for sustainable energy and other infrastructure investments at the country level, through engagement in key global and regional insurance-related forums [modified original 4.3. Original 4.4 dropped]	UNDP	BMZ Unfunded	Travel Consultant Policy Advisory/Technical Assistance		25,000	500,000	500,000		1,025,000
	<b>Sub-Total for Output 4</b>				208,074	25,000	600,000	745,000	50,000	1,628,074
<b>Output 5: Safeguarding and Incentivising Development</b>  <i>Gender marker:2</i>	5.0 Staff Costs - Leadership, Advocacy, Technical Assistance, Oversight, Coordination and Support services across Output 5 at the Global, Regional and Country level [new]	UNDP	BMZ Generali Unfunded	Personnel Costs (Fix Term, Temporary, IPSA)	47,037	427,328	136,104	187,395	128,706	926,571

EXPECTED OUTPUTS	PLANNED ACTIVITIES	RESPONSIBLE PARTY	Funding Source	Budget Description	Planned Budget by Years					Amount
					Prior Years (2020 - 2023)	Y2024	Y2025	Y2026	Y2027	
	5.1 Risk financing/industry expertise and analysis integrated into countries financial management and planning, such as through INFFs <i>[standing activity]</i>	UNDP	BMZ Unfunded	Workshops and Engagement Meetings Travel Policy Advisory/Technical Assistance	27,970	207,724	150,000	100,000	100,000	585,694
	5.2 Risk financing/industry expertise and analysis integrated into national development frameworks, such as NDCs and NAPs, through workshops, training and education, ongoing technical assistance <i>[modified]</i>	UNDP	BMZ	Workshops and Engagement Meetings Travel Policy Advisory/Technical Assistance	23,283	207,724	150,000	100,000	100,000	581,007
	5.3 Integration of insurance and risk finance as a critical tool for achieving development and delivering on the SDGs, through engagement with global and	UNDP	BMZ Unfunded	Workshops and Engagement Meetings Travel Policy Advisory/Technical Assistance	36,778	103,862	100,000	10,000	10,000	260,640

EXPECTED OUTPUTS	PLANNED ACTIVITIES	RESPONSIBLE PARTY	Funding Source	Budget Description	Planned Budget by Years					Amount
					Prior Years (2020 - 2023)	Y2024	Y2025	Y2026	Y2027	
	country level SDG processes [standing activity]									
	5.4 Integration of insurance and risk finance strategies at the UNDP country and regional levels [NEW]	UNDP	Bill and Melinda Gates Foundation BMZ Unfunded	Workshops and Engagement Meetings Travel Policy Advisory/Technical Assistance	2,756	170,000	175,000	50,000	40,000	437,756
	<b>Sub-Total for Output 5</b>				137,824	1,116,639	711,104	447,395	378,706	2,791,668
<b>Output 6: Advocacy, Partnerships and Innovation</b>  <i>Gender marker:2</i>	6.0 Staff Costs - Leadership, Advocacy, Technical Assistance, Oversight, Coordination and Support services across Output 6 at the Global, Regional and Country level[ <i>new</i> ]	UNDP	Bill and Melinda Gates Foundation BMZ Generali Howden Unfunded Yemen Country Office	Personnel Costs (Fix Term, Temporary, IPSA)	2,222,220	709,264	1,180,593	576,907	579,009	5,267,992
	6.1 Diagnostic review of 20 critical countries, largely desk-study work supplemented by online meetings with critical stakeholders; includes final	UNDP	BMZ Unfunded	Workshops and Engagement Meetings KM Product Design, Layout, Printing Travel Policy Advisor/Technical Assistance	654,338	272,421	90,000			1,016,759

EXPECTED OUTPUTS	PLANNED ACTIVITIES	RESPONSIBLE PARTY	Funding Source	Budget Description	Planned Budget by Years					Amount
					Prior Years (2020 - 2023)	Y2024	Y2025	Y2026	Y2027	
	advocacy report and work-planning for outputs 1 and 2. <i>[standing activity]</i>									
	6.2 High-impact, high-profile advocacy campaigns implemented via social media, articles, events, etc. <i>[modified]</i>	UNDP	Bill and Melinda Gates Foundation BMZ Generali Unfunded	Travel Engagement Meetings Knowledge Product design, layout and printing.	23,574	322,053	1,240,000	1,240,000	1,215,507	4,041,134
	6.3 Development and dissemination of annual flagship reports and other knowledge products <i>[modified]</i>	UNDP	Bill and Melinda Gates Foundation BMZ Unfunded	Travel Engagement Meetings Knowledge Product design, layout and printing.	54,701	213,783	225,360	150,000	150,000	793,844
	6.4 Multi-faceted knowledge sharing and training on insurance and risk financing that is developed and delivered to all interested country offices and numerous government partners <i>[modified]</i>	UNDP Stellenbosch University	UNDP (African Adaptation Initiative) Bill and Melinda Gates Foundation BMZ Unfunded	Workshops and Engagement Meetings Travel Policy Advisory/Technical Assistance	245,630	172,375	110,000	110,000	104,000	742,005

EXPECTED OUTPUTS	PLANNED ACTIVITIES	RESPONSIBLE PARTY	Funding Source	Budget Description	Planned Budget by Years					Amount
					Prior Years (2020 - 2023)	Y2024	Y2025	Y2026	Y2027	
	6.5 Challenge Fund implementation in 18 countries [modified original 6.7. Original 6.5 dropped]	UNDP	BMZ Generali Unfunded	Workshops and Engagement Meetings Travel Policy Advisory/Technical Assistance	1,375	480,660	2,200,000	2,200,000		4,882,035
	6.6 Development of partner, industry, and donor relationships [NEW. Original 6.6 dropped]	UNDP	Bill and Melinda Gates Foundation BMZ Generali Unfunded	Workshops and Engagement Meetings Travel Consultants Policy Development	16,077	233,000	845,000	345,000	45,000	1,484,077
	<b>Sub-Total for Output 6</b>				3,217,913	2,403,557	5,890,953	4,621,907	2,093,516	18,227,845
<b>Global Support and Coordination</b>	Project Coordination, Oversight and Financial Management,	UNDP	Bill and Melinda Gates Foundation BMZ Generali Howden ORRAA Unfunded	Personnel Costs (Fix Term, Temporary, IPSA) Workshops and Engagement Meetings Travel Consultants	4,410,846	3,654,528	3,593,621	2,986,506	2,824,304	17,496,804
<b>Evaluation (as relevant)</b>	EVALUATION					100,000			180,000	280,000
<b>General Management Support</b>					1,101,258	1,264,001	1,989,016	2,610,570	1,083,477	8,048,322
<b>TOTAL<sup>35</sup></b>					14,866,989	17,064,010	26,851,713	35,242,700	14,626,935	108,652,347

<sup>35</sup> The total project cost is excluding 1% levy.

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## VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The Insurance and Risk Finance Facility comprises a global governance component, as well as global and national implementation components.

### Oversight Functions

At the global level, the oversight of the various country projects will be undertaken centrally by the same Central Unit team. Key oversight roles at the global level are described as follows:

**The Project Board:**<sup>36</sup> The Project Board serves as the project coordination and decision-making body, providing policy and strategic oversight and support to the implementation of the IRFF. The Project Board will make strategic management decisions for the programme as well as provide guidance to the Programme Manager. The Board will meet once a year to review progress and provide guidance or inputs toward the achievement of project results, risk management, evaluation. It will also review and approve annual workplans, budgets and any new responsible parties.

The Project Board may delegate authority to the Executive to approve new entities as responsible parties, and changes to the project planned budget and revisions, up to 20% tolerance.

**Project Manager:** The role of Project Manager will be undertaken by the Global Team Lead for insurance and risk financing. Serving as the central point of contact, the Project Manager ensures seamless communication among project board members, team leaders, and implementing partners across all outputs. This includes monitoring progress towards expected results and overseeing the delivery of defined outputs outlined in this document. Implementation of project activities will be supported by IRFF personnel, Responsible Parties, and a network of consultants and researchers.

**Project Assurance:** The Quality Assessor of the portfolio performs quality assurance functions for the Programme by carrying out objective and independent Programme oversight and monitoring functions, including applying UNDP's social and environmental management system to ensure the SES are applied through the projects cycles.

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<sup>36</sup> The Project Board Terms of Reference is provided in Annex III.



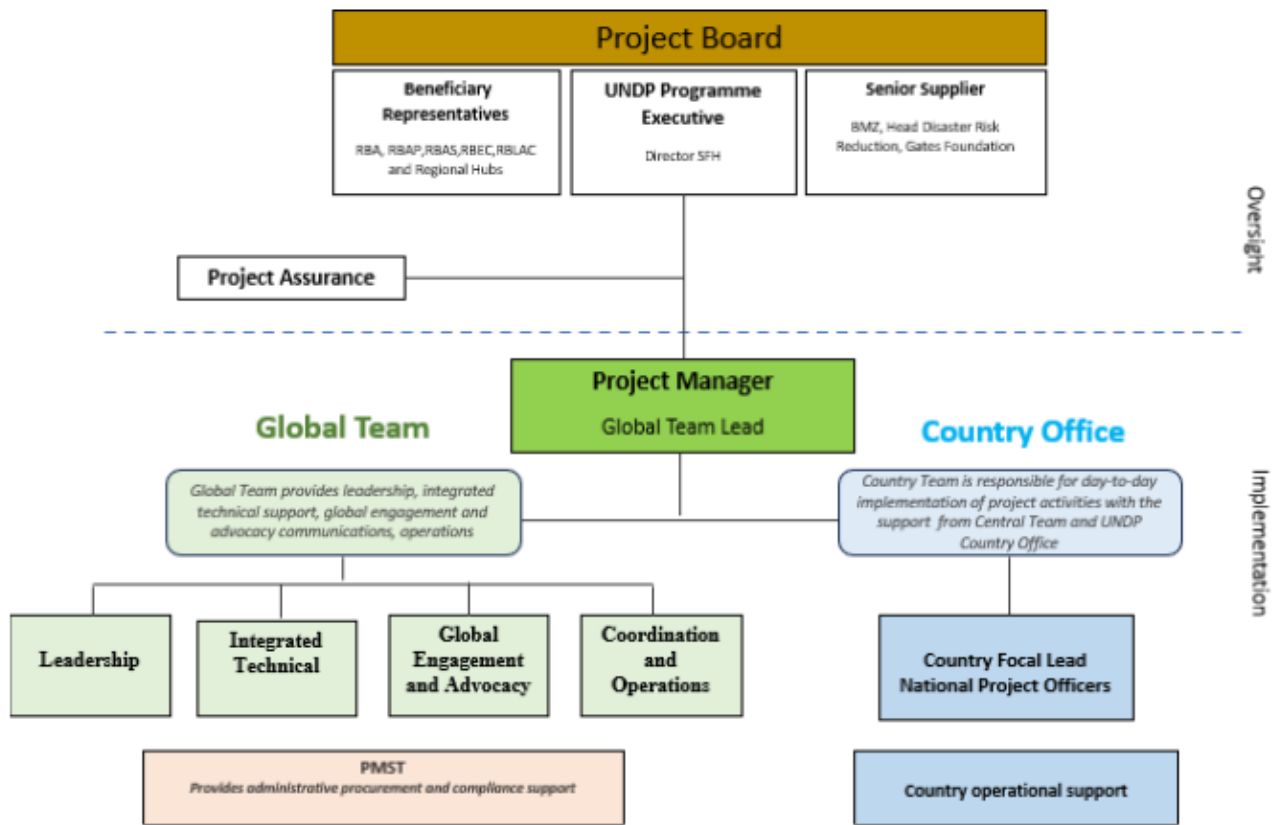


Figure 3: Insurance and Risk Finance Facility Organization Structure

### Implementation functions

Implementation of IRFF activities will be executed at 2 levels: global and country. Accountability will also be shared between these levels.

**At the global level**, a global team led by the Global Team Lead provide support in the following areas: technical guidance and support to countries, methodology and tools development, communication and knowledge management, engagement with development partners, as well as the management of global activities. The day-to-day operational role of the global team will be complemented by the Istanbul Programme Support Management team (PMST) and expertise from across the Global Policy Network, as required.

**Leadership Team:** Headed by the Global Team Lead for insurance and risk financing, this team includes the leads of the Integrated Technical team, Global Engagement and Advocacy team, and Coordination and Operations team. Serving as the primary source of senior-level representation, both internally and externally, the Leadership Team is entrusted with ensuring the Facility's long-term sustainability and continued effectiveness.

**Integrated Technical Team:** The Technical Team assumes dual responsibilities, encompassing both technical expertise and regional focus within the IRFF project. They lead in delivering comprehensive technical assistance to countries, from initial development to full implementation through UNDP Country Offices. This team closely collaborates with National Programme Officers and other focal counterparts within country offices, providing technical support and guidance. Their integrated approach, ensures effective execution and seamless coordination across regional and technical aspects of the project

**Global Engagement and Advocacy Team:** Responsible for fostering internal cohesion and external collaboration within the IRFF, the Global Engagement and Advocacy Team plays a critical role. They lead corporate communications, advocacy efforts, research, evidence gathering, training, networking, and partnership

development. Through these diverse initiatives, they significantly enhance the project's visibility, impact, and sustainability. This team oversees all internal and external engagement activities of the IRFF, with a focus on corporate communications, advocacy, research, training, networking, and partnership management.

**Coordination and Operations Team:** The Programme Coordination Team is responsible for a wide array of essential functions. From operational and administrative tasks to programmatic coordination, their responsibilities encompass procurement, legal matters, financing, human resources, work planning, delivery management, monitoring and donor reporting. They collaborate closely with the Istanbul Project Management Support Team (PMST) of the SFH to ensure seamless execution of these critical activities.

**Country-level implementation** will occur through dedicated projects under the DIM modality. UNDP country offices will oversee national implementation in coordination with the central team. Each country project will be managed by a National Project Officer (NPO), reporting to the country office lead and the respective Regional Technical Lead from the global team. Delegation of Authorities (DoAs) signed with participating country offices will transfer the authority to manage funds in line with project work plans, considering country priorities outlined in the Country Programme Document (CPD). DoAs also transfer accountability for project delivery, risk identification and monitoring, capacity assessment of responsible parties, etc., in accordance with UNDP POPP. Donor accountability for IRFF remains at the global level.

**Country Office Lead:** The Country Office Lead will provide essential technical support to ensure that initiatives in insurance and risk financing are integrated seamlessly within the broader portfolio of the Country Office. This role encompasses leading management responsibilities and serving as the primary liaison with relevant government officials. Additionally, the National Project Officers (NPOs) will receive assistance from the country operations team to effectively carry out their roles.

**National Project Officers:** A National Project Officer (NPO) will manage and deliver the work of the insurance/risk finance portfolio in-country, supported by the Country Office Lead, country office operations as well as dedicated consultancy support (both technical and logistical) through the life of the programme.

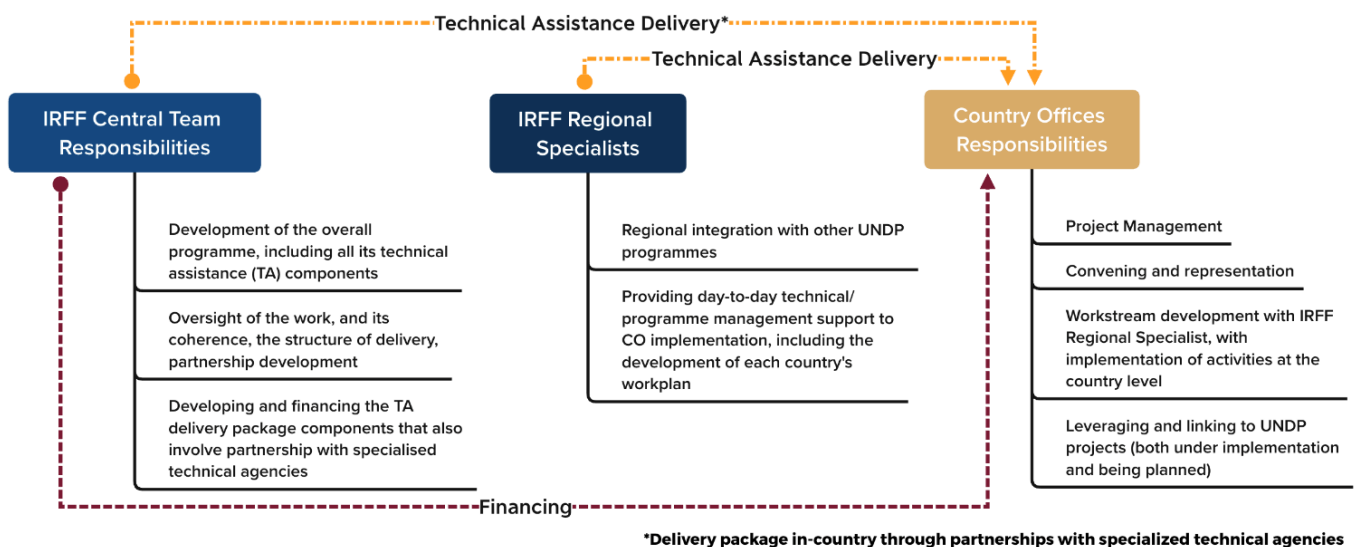


Figure 4: Summarised division of responsibilities between the central team, regional specialists and country office

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## IX. LEGAL CONTEXT

This project forms part of an overall programmatic framework under which several separate associated country level activities will be implemented. When assistance and support services are provided from this Project to the associated country level activities, this document shall be the “Project Document” instrument referred to in: (i) the respective signed SBAs for the specific countries; or (ii) in the [Supplemental Provisions to the Project Document](#) attached to the Project Document in cases where the recipient country has not signed an SBA with UNDP, attached hereto and forming an integral part hereof. All references in the SBA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

This project will be implemented by [name of entity] (“Implementing Partner”) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

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## X. RISK MANAGEMENT

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the [project funds]<sup>37</sup> [UNDP funds received pursuant to the Project Document]<sup>38</sup> are used to provide support to individuals or entities associated with terrorism, that the recipients of any amounts provided by UNDP hereunder do not appear on the United Nations Security Council Consolidated Sanctions List, and that no UNDP funds received pursuant to the Project Document are used for money laundering activities. The United Nations Security Council Consolidated Sanctions List can be accessed via <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism(<http://www.undp.org/secu-srm>).
4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
5. In the implementation of the activities under this Project Document, UNDP as the Implementing Partner will handle any sexual exploitation and abuse (“SEA”) and sexual harassment (“SH”) allegations in accordance with its regulations, rules, policies and procedures.
6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
7. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor, and sub-recipient:

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<sup>37</sup> To be used where UNDP is the Implementing Partner

<sup>38</sup> To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner

- a. Consistent with the Article III of the SBAA [*or the Supplemental Provisions to the Project Document*], the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
  - i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
  - ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.
- b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.
- c. Each responsible party, subcontractor and sub-recipient (each a "sub-party" and together "sub-parties") acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the sub-parties, and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.
  - (a) In the implementation of the activities under this Project Document, each sub-party shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").
  - (b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, each sub-party, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment. SH may occur in the workplace or in connection with work. While typically involving a pattern of conduct, SH may take the form of a single incident. In assessing the reasonableness of expectations or perceptions, the perspective of the person who is the target of the conduct shall be considered.
- d. In the performance of the activities under this Project Document, each sub-party shall (with respect to its own activities), and shall require from its sub-parties (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, sub-parties will and will require that their respective sub-parties will take all appropriate measures to:
  - (i) Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;
  - (ii) Offer employees and associated personnel training on prevention and response to SH and SEA, where sub-parties have not put in place its own training regarding the prevention of SH and SEA, sub-parties may use the training material available at UNDP;
  - (iii) Report and monitor allegations of SH and SEA of which any of the sub-parties have been informed or have otherwise become aware, and status thereof;
  - (iv) Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
  - (v) Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. Each sub-party shall advise UNDP of any such allegations received

and investigations being conducted by itself or any of its sub-parties with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the relevant sub-party shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.

- e. Each sub-party shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the relevant sub-party to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.
- f. Each responsible party, subcontractor and sub-recipient will ensure that any project activities undertaken by them will be implemented in a manner consistent with the UNDP Social and Environmental Standards and shall ensure that any incidents or issues of non-compliance shall be reported to UNDP in accordance with UNDP Social and Environmental Standards.
- g. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud, corruption or other financial irregularities, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption, anti-fraud and anti money laundering and countering the financing of terrorism policies are in place and enforced for all funding received from or through UNDP.
- h. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices (b) UNDP Anti-Money Laundering and Countering the Financing of Terrorism Policy; and (c) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at [www.undp.org](http://www.undp.org).
- i. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.
- j. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud, corruption other financial irregularities with due confidentiality.  
Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.
- k. *Option 3:* UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement.

Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in

whole or in part, of the funds for the activities under this Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term “Project Document” as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud corruption or other financial irregularities, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement.

Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud, corruption or other financial irregularities, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term “Project Document” as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

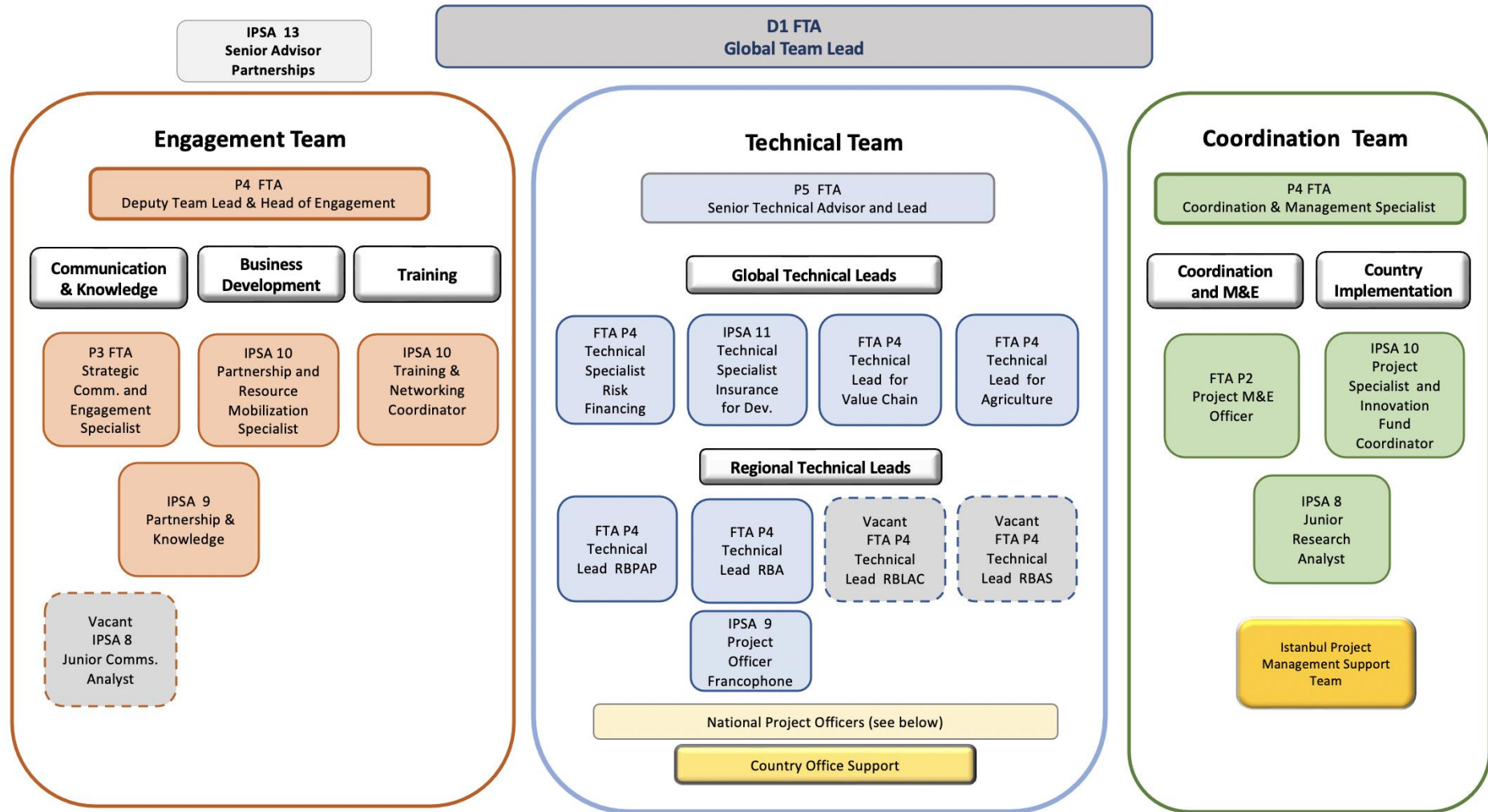
- i. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.
- m. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
- n. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled “Risk Management” are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled “Risk Management Standard Clauses” are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Project Document.

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**XI. PROJECT DOCUMENT ANNEXES**

- Annex I: Global Team and National Project Officers Organogram
- Annex II: Potential global partnerships (March 2024)
- Annex III: Project Board of Insurance and Risk Finance Facility Terms of Reference
- Annex provided separately: Global Risk Log (May 2024)
- Annex provided separately: SESP (May 2024)
- Annex provided separately: Gender Commitment
- Annex provided separately: Communications and Monitoring Plan for Insurance and Risk Finance Project
- Annex provided separately: Risk Mitigation Strategy for Insurance and Risk Finance Project

**Annex I: Global Team and National Project Officers Organogram**





## National Project Officers

RBA	RBAP	RBAS	RBLAC	RBEC
NPO, Ghana	NPO, India	NPO, Algeria	NPO, Mexico	NPO, Uzbekistan
NPO, Tanzania	NPO, Pakistan	NPO, Jordan	NPO, Argentina	
NPO, Nigeria	NPO, Nepal	NPO, Egypt	NPO, Colombia	
NPO, Mozambique	NPO, Viet Nam		NPO, Ecuador	
NPO, Senegal	NPO, Bangladesh		NPO, Dominican Republic	
NPO, Comoros	Vacant NPO, Bangladesh			
NPO (FRA focus), Ethiopia	Vacant NPO (FRA focus), India			
NPO, Ethiopia	Vacant NPO, Thailand			
NPO, Madagascar	Vacant NPO, Indonesia			
Vacant NPO, Uganda				
Vacant IPSA (cost-shared with CO), Uganda				

## Annex III: Project Board of Insurance and Risk Finance Facility Terms of Reference

### I. Background

All UNDP projects must be governed by a multi-stakeholder board or committee established to review performance based on established monitoring and evaluation metrics and high-level implementation issues to ensure quality delivery of results. For the purpose of this ToR and to ensure standardization, henceforth, as regards project documentation, such a body shall only be referred to by one of 2 names: 'Project Board' or 'Project Steering Committee.' The Project Board is the most senior, dedicated oversight body for a UNDP 'Development Project', which is defined in the PPM as an instrument where UNDP "Delivers outputs where UNDP has accountability for design, oversight and quality assurance of the entire project."

Project Background:

The Insurance and Risk Finance Facility (IRFF) is part of UNDP's Sustainable Finance Hub (SFH), and it is a flagship initiative dedicated to insurance and risk finance. The IRFF manages UNDP's global representation in the insurance space. It is a one-stop shop for innovative solutions for UNDP Country Offices, programme countries and partners. This includes issues related to insurance and risk finance, networking, partnership development, policy and guidelines, technical assistance, project implementation, capacity-building and financing opportunities. More information available at [irff.undp.org](http://irff.undp.org)

### II. Duties and Responsibilities

The 2 prominent (mandatory) roles of the Project Board are as follows:

- 1) **High-level oversight of the project** (as explained in the ["Provide Oversight"](#) section of the PPM). This is the primary function of the Project Board. The Project Board reviews evidence of project performance based on monitoring, evaluation and reporting, including progress reports, monitoring missions' reports, evaluations, risk logs, quality assessments, and the combined delivery report. The Project Board is the main body responsible for taking corrective actions as needed to ensure the project achieves the desired results. And its function includes oversight of annual (and as-needed) assessments of any major risks to the programme or project, and related decisions/agreements on any management actions or remedial measures to address them effectively.

The Project Board also carries the role of quality assurance of the project taking decisions informed by, among other inputs, the project quality assessment. In this role the Board is supported by the quality assurer, whose function is to assess the quality of the project against the corporate standard criteria. This function is performed by a UNDP programme or monitoring and evaluation officer to maintain independence from the project manager regardless of the project's implementation modality.

- 2) **Approval of key project execution decisions** (as explained in the ["Manage Change"](#) section of the PPM). The Project Board has an equally important, secondary role in approving certain adjustments above provided tolerance levels, including substantive programmatic revisions (major/minor amendments), budget revisions, requests for suspension or extension and other major changes (subject to additional funding partner/donor requirements).

The Project Board is responsible for making management decisions by consensus when required, including the approval of project plans and revisions, and the project manager's tolerances. The Project Board approves annual work plans and reviews updates to the project risk log.

Within the overall governance and management arrangements of the project, the role of the Project Board as regards these 2 key functions ('High-level oversight of the project' and 'Approval of key project execution decisions') is distinct from the roles of entities involved in the implementation of the project, namely the implementing partner (IP), responsible parties (if applicable), service providers and project staff.

Specific responsibilities of the Project Board include the following:

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints, and promote gender equality and social inclusion (LNOB) in the project implementation;
- Review project performance based on monitoring, evaluation and reporting, including standard quality assurance checks, progress reports, risk logs, spot checks/audit reports and the combined delivery report;
- Address any high-level project issues as raised by the project manager and project assurance;
- Provide guidance on emerging and/or pressing project risks and agree on possible mitigation and management actions to address specific risks (including ensuring compliance with UNDP's Social and Environmental Standards, Fraud/corruption, Sexual Exploitation and Abuse and Sexual Harassment);
- Agree or decide on project manager's tolerances as required, within the parameters set by UNDP ([Manage Change](#) in the PPM) and the donor, and provide direction and decisions for exceptional situations when the project manager's tolerances are exceeded;
- Advise on major and minor amendments to the project within the parameters set by UNDP and the donor;
- Agree or decide on a project suspension or cancellation, if required;
- Provide high-level direction and recommendations to the project management unit to ensure that the agreed deliverables are produced satisfactorily according to plans.
- Receive and address project level grievance, including overseeing whatever specific compliance and stakeholder response (or grievance) mechanisms have been put in place so that individuals and communities potentially affected by the project have access to effective mechanisms and procedures for raising concerns about the social and environmental performance of the project<sup>39</sup>.
- Engage in the low value grant selection process where there is no Grant Selection Committee, as guided by the [Low Value Grants – UNDP Operational Guide](#).

Additional responsibilities of the Project Board can include, but are not limited to, the following :

- Ensure coordination between the various donors and government-funded projects and programmes;
- Report to relevant inter-ministerial bodies or higher-level oversight bodies;
- Ensure coordination with multiple government agencies and their participation in project activities;
- Appraise the annual project implementation report, including the quality assessment rating report;
- Act as an informal consultation mechanism for stakeholders;
- Review the final project report package during an end-of-project review meeting to discuss lessons learned and opportunities for scaling up;

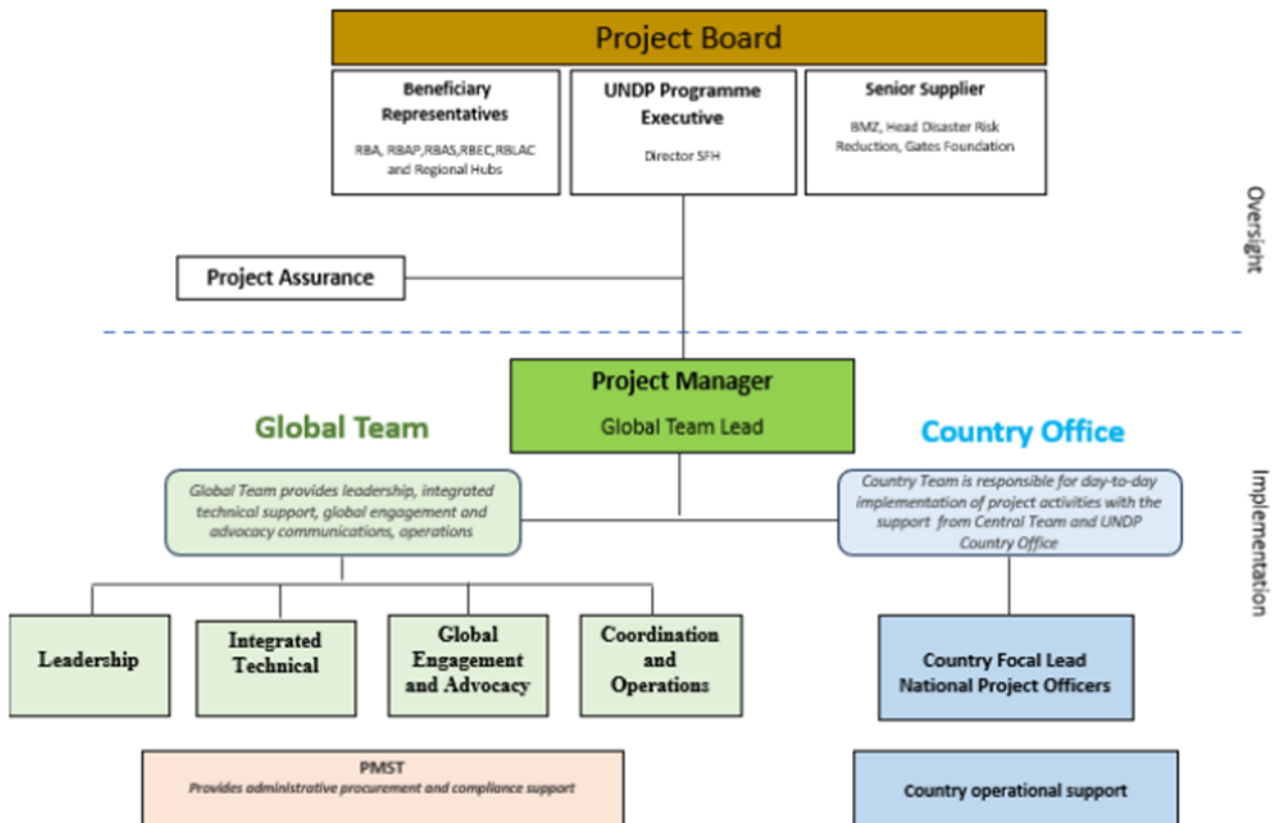
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<sup>39</sup> The responsibilities of the board in this regard should follow [UNDP's Social and Environmental Standards](#) (SES) as codified in the PPM. It should be noted that while a project board can play a role in addressing or assisting with the compliance and stakeholder response (or grievance) mechanisms put in place for a given project (as part of their quality assurance and oversight function), this will be in addition to and does not substitute for UNDP's core responsibility to ensure compliance with the SES throughout the project management cycle as part of UNDP's Programming Quality Assurance system.

- Take the lead to promote policy dialogue and advocacy on issues identified by the IRRF Project Manager at senior level meetings and global fora such as Insurance Development Forum, InsuResilience Global Partnership Annual meetings, COP conferences etc.
- Guidance on further resourcing of the IRFF, and the long-term sustainability of the Facility
- Approve the Selection of Responsible Parties as guided by the [Responsible Parties – UNDP Operational Guide](#). The right to approve may also be delegated to the Project Board Executive, Director of SFH without convening a Project Board meeting.

### III. Composition of the Project Board

As noted in the diagram below, every Project Board in a UNDP project has 3 categories of formal members (e.g. voting members). The role of every formal Project Board member must correspond to one of these 3 roles and be identified accordingly in the project documentation.



The 3 categories of Project Board members are the following:

- **Project Director/Executive(s):** This is an individual(s) who represents ownership of the project and chairs (or co-chairs) the Project Board. The executive usually is the most senior national counterpart for nationally implemented projects (typically from the same entity as the Implementing Partner), and it must be UNDP for projects that are direct implementation (DIM). In exceptional cases, 2 individuals from different entities can co-share this role and/or co-chair the Project Board. If the project executive co-chairs the Project Board with a representative of another category, it typically does so with a development partner representative. The Project Executive is:
  - **Director of the Sustainable Finance Hub.**

- **Beneficiary Representative(s):** This is an individual(s) representing the interests of those groups of stakeholders who will ultimately benefit from the project. Their primary function within the Board is to ensure the realization of project results from the perspective of project beneficiaries. Often representatives from civil society, industry associations, community groups or other government entities benefiting from the project can fulfil this role. If the project has a specific geographic focus, often representatives from the government entities in the targeted area/region will play this role. There can be multiple beneficiary representatives in a Project Board. The Beneficiary Representative(s) is:
  - **Senior Advisors within the 5 Regional Bureaus, P5 Level or lower if delegated**
  
- **Development Partner(s)/Senior Suppliers:** Individuals representing the interests of the parties concerned that provide funding, strategic guidance and/or technical expertise to the project<sup>40</sup>. There can be multiple development partners representatives in a Project Board. The Development Partner(s) representative(s) is:
  - **BMZ Head of Division 422: Climate Initiatives**
  - **Disaster Risk Reduction & Recovery for Building Resilience, Head**
  - **Senior Programme Officer, Bill & Melinda Gates Foundation**

A **UNDP representative must always be represented in the Project Board** in either the project executive or development partner role.<sup>41</sup>

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<sup>40</sup> With the exception of responsible parties or any firms/entities engaged by the project to provide technical expertise with project funds

<sup>41</sup> Where applicable, representatives from responsible parties to the project cannot sit on the Project Board as a formal voting member; they can (if requested) attend board meetings as observers. Since the chief responsibility of the Board is to provide high-level oversight of project implementation, to avoid any conflicts of interest, it is not appropriate for representatives of third party entities engaged by the project to provide services – whether responsible parties or contractors/service providers – to concurrently sit on the Board. Representatives of responsible parties can attend board meetings (as observers) but can have no official role in board decision-making. The same principle applies to the project manager who in attending and presenting at board meetings, does so in a non-voting capacity.

In cases where the inputs and guidance of responsible parties or other entities formally engaged in providing goods or services to the project are needed by the Board on a recurring basis, it is recommended to establish appropriate advisory or technical committees or working groups composed of those entities that can formally report to the Board, while ensuring the impartiality and integrity of board decisions happening independent of those bodies (see Section V of the ToR).

#### **IV. Standard Project Board Protocols<sup>42</sup>**

The Project Board must meet one time annually at a minimum. It is recommended that the timing of board meetings be agreed upon in advance and corresponds to key project reporting or work planning milestones. This Project Board will meet once a year according to this provisional schedule.

- December 2022 (first project board)
- March 2024
- February 2025

If project is extended:

- February 2026
- February 2027

#### **V. Standard Outputs of Project Board Meetings**

In its oversight function, the Project Board will (at a minimum) review and assess the following project-related evidence at each meeting:

- Assessment of project progress to date against project output indicators (as documented in the project document results framework)
- Approval/review of annual work plans
- Assessment of the relevant Monitoring & Evaluation mechanisms, including all evaluations<sup>43</sup>
- Review and assessment of the Project Risk Log (with updating/amendments as needed)
- Assessment of project spending, based on a review of the combined delivery report
- Review of required resources versus available funding (if applicable) and steps taken to reduce funding gap identified at the project design stage

This will be in addition to the review and approval of any required project execution decisions.

The output of every Project Board should be a written record (minutes) that captures the agenda and issues discussed and the agreed upon action items and decisions (if applicable). Each report should clearly document the members attending the meeting (as well as all participants in the meeting) and the modality used to agree on a certain action or decision (whether formal voting or no-objection or other mechanism). All records of board meetings should be documented and kept by UNDP in their quality assurance function (see next section).

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<sup>42</sup> Project Board members cannot receive remuneration from project funds for their participation in the Board. However, it is allowable for board members to be reimbursed from project funds for certain reasonable, qualified expenses related to travel or lodging to attend board meetings. Such protocols are outlined in this ToR and the benefits are applicable to all eligible board members

All Project Boards must have rules for quorum and documentation/minuting of board decisions. All board decisions and minutes should be kept by the project management unit and UNDP. Guidelines on decisions taken in between board meetings or virtually should be clearly elaborated in the Terms of Reference (ToR) of the Project Board.

Unless otherwise specified, Project Board decisions are made by unanimous consensus. If a consensus cannot be reached within the Board, the final decision shall rest with the UNDP representative on the Project Board or a UNDP staff member with delegated authority as the programme manager.<sup>42</sup>

It is required that as per internationally recognized professional standards and principles of sound governance, conflicts of interest affecting board members in performing their duties must be formally disclosed if not avoidable. Where a board member has a specific personal conflict of interest with a given matter before the board, he/she must recuse oneself from their participation in a decision. No board member can vote or deliberate on a question in which he/she has a direct personal or pecuniary interest not common to other members of the board.

All board members should be presented with a ToR for the Project Board, which will include the responsibilities already outlined and indicate agreed board practices and logistics.

<sup>43</sup> Including audit reports and spot checks.

## VI. Support Functions to the Project Board

There are 2 main entities/functions outside the Project Board structure whose role is to report to the Project Board and support board members in effectively fulfilling their roles: project assurance and project management. Project Assurance: Project assurance is the responsibility of each Project Board member; however, UNDP has a distinct assurance role for all UNDP projects in carrying out objective and independent project oversight and monitoring functions. UNDP performs quality assurance and supports the Project Board (and Project Management Unit) by carrying out objective and independent project oversight and monitoring functions, including applying UNDP's social and environmental management system to ensure the SES are applied through the project cycle. The Project Board cannot delegate any of its quality assurance responsibilities to the project manager. Project assurance is totally independent of project execution.

A designated representative of UNDP playing the project assurance role is expected to attend all Project Board meetings and support board processes as a non-voting representative. It should be noted that while in certain cases UNDP's project assurance role across the project may encompass activities happening at several levels (e.g., global, regional), at least 1 UNDP representative playing that function must, as part of their duties, specifically attend board meetings and provide board members with the required documentation required to perform their duties.

The UNDP representative playing the main project assurance function is:

- Policy Specialist, UNDP Crisis Bureau

Project Support, this function is often covered by the Project Management Unit: The Project Manager (PM) (also called project coordinator) is the senior most representative of the Project Management Unit (PMU) and is responsible for the overall management of the project on behalf of the Implementing Partner, including the mobilization of all project inputs, supervision over project staff, responsible parties, consultants and sub-contractors. The project manager typically presents key deliverables and documents to the Board for review and approval, including progress reports, annual work plans, adjustments to tolerance levels and risk logs.

A designated representative of the PMU is expected to attend all board meetings and present the required progress reports and other documentation needed to support board processes as a non-voting representative.

The primary PMU representative attending board meetings is:  
Team Head, Insurance and Risk Finance Facility