

PROJECT DOCUMENT

Empowered lives.
Resilient nations.

Project Title: Insurance and Risk Finance Facility

Project Number: 00123759

Implementing Partner: UNDP

Start Date: 1 October 2020

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PAC Meeting date:

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 countries 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 fails 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 the disproportionate impact on those 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, from indigenous groups to the urban poor, from those that depend on agriculture to those that depend on coastal livelihoods. Meanwhile disasters and the varied direct and indirect impacts of climate on economies, value chains, livelihoods and well-being play a significant role in deepening vulnerability in developing countries. In some cases, the financial impact has 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 is still less than needed, the remainder being born by communities, business and government and families themselves.

This context is exacerbated by the lack of mainstreaming of systemic risks into development financing and investment, as well as by the lack of a range of insurance and affordable risk finance instruments. There is, for example, a huge protection gap in poorer countries. 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 the worldwide more than 100 million people a year falling into poverty. This insurance gap serves to exacerbate the lack of social protection to 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 suppliers, inadequate policy and institutions, all contribute to this disparity, and to the subsequent diminished resilience of most vulnerable communities. It is estimated that the potential market for inclusive-insurance alone is at least four billion people, representing a protection gap of quite staggering proportions.

Challenges relevant to the insurance industry extend beyond the protection of assets, goods and livelihoods to investment. There is a documented need for investment in the SDGs in developing countries with an

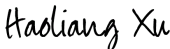
investment gap of close to US\$2 trillion to 2030. This places the insurance industry in a very responsible position, given that it has under management close to US\$33 trillion, putting it on a par with the pension and banking sectors for assets. Without engagement with the investment side of the insurance industry, meeting the financing needs of the SDGs will be impossible. There are challenges however, beyond even the useful challenges of yield and risk investor challenges, because of a significant set of additional regulatory capital provisions placed on insurance investment.

Engagement with the insurance industry in all its forms is therefore, critical to sustainable development in all ways, with the protection side of industry providing the sustainability needed for development and the investment side of industry providing 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 industry. The expected outcome of this engagement will be that country and community long-term resilience will be improved by development and delivery of integrated insurance, risk finance and investment solutions across six outputs:

- Output 1: Increased access by vulnerable countries and communities to Inclusive Insurance solutions
- Output 2: Increased access by at-risk countries to Sovereign Risk Finance solutions.
- Output 3: Insurance, risk financing and investment solutions are leveraged to protect natural capital to enhance resilience in countries and communities at risk
- Output 4: Insurance investment in SDGs is scaled and insurance-linked financial instruments to crowd-in and de-risk investment are developed and deployed, and accessible to core stakeholders.
- Output 5: Industry expertise and analysis integrated into country development frameworks.
- Output 6: Insurance and risk financing as sustainable development enablers deepened with research, evidence, technology and innovation.

Contributing Outcome: SP Outcome: 1 Indicative Output(s): Primary Output: 1.2.2 Enabling environment strengthened to expand public and private financing for the achievement of the SDGs Gender Marker: 2	Total resources required:	USD 60 million
	Total resources allocated:	BMZ 22.5 million Soft Pipeline BMZ, 22.5 million; ADB, 1.5 million
	Unfunded:	USD 13.5 million

Agreed by

UNDP

Haoliang Xu, Assistant Administrator and Director, Bureau for Policy and Programme Support
Date: 11-Oct-2020

I. DEVELOPMENT

The challenge to ensure that no one is left behind in the drive towards delivering development and achieving the SDGs, remains significant. Poverty remains intractable in many countries and communities across the world, with significant inequality persisting between countries and within countries, especially between rural and urban areas. Economic growth in some countries has not necessarily led to the sustained reduction of inequality, poverty and deprivation, nor to the creation of decent livelihoods. Meanwhile, substantial population growth and urbanisation, especially in low-income countries, is adding significant burdens to already stretched infrastructure and delivery of 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 fails to take into account the negative impact on people, communities and countries, especially those most vulnerable¹.

Our changing climate is exacerbating these issues of inequality, poverty and imbalanced growth. In February 2019, the World Meteorological Organization confirmed the past four years as the warmest on record, and to underline the trend, they highlighted the 20 warmest years have all occurred within the last 22 years². These findings, along with those from the 1.5C report produced by the Intergovernmental Panel on Climate Change (IPCC)³, have focused on the urgent need to take action. One of the clear aspects of the IPCC report is how disproportionately climate change impacts on those 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, from indigenous groups to the urban poor, from those that depend on agriculture to those that depend on coastal livelihoods.

Meanwhile disasters play a significant role in deepening vulnerability in developing countries, with figures showing that they are increasing considerably. In the last two years alone, Munich Re estimates the overall financial impact to have been 510 billion USD⁴. In some cases, the financial impact has been devastating, especially for developing countries. 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 US\$5.8 billions of financial loss, with six million workers losing their sources of income, with devastation caused to fishing, rice, corn and sugar production. According to research undertaken by RMS, who analysed 77 countries classified as low-income or low-middle income, the average annual loss from disasters was US\$29 billion⁵. In many cases the financial burden of these disasters is falling directly upon the countries themselves. Of the US\$510 billion losses in 2017 and 2018 only US\$220 billion were actually covered by insurance, meaning if reconstruction was to take place fully, a large proportion of it would have to be with 'new' money. Meanwhile, humanitarian assistance, which often meets the emergency needs of developing countries in the immediate aftermath of disaster is at its highest point ever, nearly US\$30 billion a year, but when it comes to the aftermath of disaster is still less than 12% of the total needed, the remainder being born by communities, business and government⁶ or by families themselves.

The COVID-19 pandemic has massively highlighted and exploited these same vulnerabilities in developing countries, everything 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 has been unprecedented – beyond health to business continuity, employment, social protection, governance and more – and has only served to underline

¹https://sustainabledevelopment.un.org/content/documents/2754713_July_PM_2_Leaving_no_one_behind_Summary_from_UN_Committee_for_Development_Policy.pdf

² See WMO State of the Climate Report at https://library.wmo.int/index.php?lvl=notice_display&id=20799#.XSM4-pMzZ1

³ See the IPCC report on 1.5 degrees at <https://www.ipcc.ch/sr15/>

⁴ 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>

⁵ <https://www.rms.com/blog/2017/07/24/the-role-of-catastrophe-risk-finance-in-developing-nations/>

⁶ <https://www.rms.com/blog/2017/07/24/the-role-of-catastrophe-risk-finance-in-developing-nations/a>

that there needs to be a significant increased investment in the inter-twining aspects of risk, financing and development.

This context is exacerbated by the lack of insurance and risk finance in many parts of the world. There is, for example, a huge protection gap in poorer countries, where less than five percent of disaster losses are covered by insurance, 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 US\$1.8 trillion⁷, and undoubtedly contributing to the worldwide more than 100 million people a year falling into poverty⁸ due to out-of-pocket expenses sometimes more than 60% of a person's contribution to their treatment. This insurance gap serves to exacerbate the lack of social protection to the most vulnerable members of society and increase inequalities. Financial exclusion, the absence of legislation for mutual and cooperative insurance in 45% in developing countries⁹, and a wide range of demand and supply issues including issues of awareness, trust, weak distribution suppliers, inadequate policy and institutions, all contribute to this disparity, and to the subsequent diminished resilience of most vulnerable communities. It is estimated that the potential market for inclusive-insurance alone is at least four billion people¹⁰, representing a protection gap of quite staggering proportions. Cyber-risk, which often plagues developing countries impacts on developing countries with even more devastating results; in a single year, for example, South Africa and Kenya suffered US\$500 million of losses due to cyber-attacks¹¹.

Challenges relevant to the insurance industry extend beyond the protection of assets, goods and livelihoods to investment. There is a documented need for investment in the SDGs in developing countries of close to US\$4.3 trillion a year until 2030, and an investment gap of close to US\$2 trillion, given the financing available. This places the insurance industry in a very responsible position, given that it has under management close to US\$33 trillion, putting it on a par with the pension and banking sectors for assets. Without engagement with the

COVID-19 and the Facility

This document has been drafted in a background of COVID-19 and its impact on countries and communities around the world. The outbreak highly relevant to the work of UNDP's Insurance and Risk Finance Facility because the Facility's overarching objective is the protection of vulnerable communities and countries by effective reduction and management of risk from climate change, socioeconomic challenges, disasters, and, of course, health – risk, financing and development are its core areas of focus. In light of this a dedicated COVID offer on insurance and risk finance has been created, focusing on supporting countries now and in the long-term aftermath, with a series of activities across short, medium, and long-term horizons, involving support directly to populations, the development of new products and services and the long-term integration of pandemics into country fiscal management. The COVID offer is broken into the areas of information and advice, project development and enhancement and long-term development, supported by the underpinning components of research and evidence and risk modelling. A series of ambitious 'moonshots' in the areas of SME protection, Micro-Health Insurance and Comprehensive pandemic risk modelling focus on utilising this moment as a springboard to rethinking resilience and financing. It is highly likely that COVID-19, its impact, and the long-term implications for development, will influence the operationalisation of this Facility.

It should be noted that COVID-19 has already had a significant impact on the start-up of the Insurance and Risk Finance Facility, especially in terms of lead-times for human resources, project set up etc but the long-term implications on operations are not necessarily known in detail. (See risk documents for assessments.)

⁷ <https://www.swissre.com/reinsurance/life-and-health/reinsurance/closing-asia-health-protection-gap.html>

⁸ 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.)

⁹ See <https://www.icmif.org/45-world%E2%80%99s-countries-do-not-have-mutualcooperative-insurance-law-according-latest-icmif-data>

¹⁰ SwissRe, *Microinsurance: risk protection for 4 billion people* (Sigma No6/2010), 32.

¹¹ See joint ODI/UNDP research on multiple risks at:

https://www.undp.org/content/dam/undp/library/Climate%20and%20Disaster%20Resilience/Risk-informed%20development_WEB_final.pdf

investment side of the insurance industry, meeting the need of the SDGs will be difficult, if not impossible. There are challenges however, beyond even the useful issues of yield and risk that investors in developing countries face, because of a significant set of additional regulatory capital provisions placed on insurance investment.

II. STRATEGY

Introduction

Insurance and risk financing have an increasingly recognised and critical role in combatting poverty, building resilience of countries and communities, and reducing the impact of risk on development, contributing directly and significantly to delivery of the SDGs. Research has highlighted six 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 five also relevant¹². Inclusive insurance and risk financing in different ways not only protect lives, livelihoods and homes from the impact of disaster, they also provide coverage for loss of employment, supply chains, education, cyber-threats and much more, acting as a significant safety net across many 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%¹³ 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 solutions to contribute to the tackling risk, building 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 to help countries tackle the intertwined challenges of poverty, vulnerability and risk. To deliver on this vision, running through all of UNDP's work at the country level is a both the development and deployment of specific insurance/risk transfer tools and products with partners, relevant to our partner countries and communities, with significant investment in long-term market transformation. This work therefore cuts across both supply and demand for insurance, with work in legislation, regulatory and institutional capacity development, matched by investment in advocacy, training and education. UNDP's work also included significant work with the investment side of the industry, on the one hand looking to develop new financial solutions that mix and match both risk transfer and resilience investment, with advocacy and policy work with industry and its US\$33 trillion under management.

The Strategic Plan and the Corporate Context¹⁴

To realize this vision and deliver on this plan, UNDP has designed a dedicated facility to provide world-leading 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 (2018-2021) 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 most if not all of the signature solutions of the strategic plan because its work is essentially dependent directly on each and every sector, from housing to energy, from women's empowerment to SME protection, 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

¹² Inclusive Insurance and the SDGs, GIZ, 2018.

¹³ <https://forms2.rms.com/DFID-Executive-Summary.html>

¹⁴ Note that this project document will cross over two Strategic Plan (SP) periods, and that as the successor SP is being elaborated in 2021, this may inform any necessary adjustments/approaches to this project.

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 delivery¹⁵.

The work of the Insurance and Risk Finance Facility is also firmly embedded in the Global Policy Network. In part this comes through the integration of the work of insurance and risk finance into the overall Finance Sector Hub (FSH) offer as one of four flagship initiatives endorsed by the Administrator. The FSH 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 in its nature a much 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: on reef insurance with the biodiversity team, on micro-insurance health 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, on housing insurance in the case of cyclones with RBLAC, and much more. In 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.

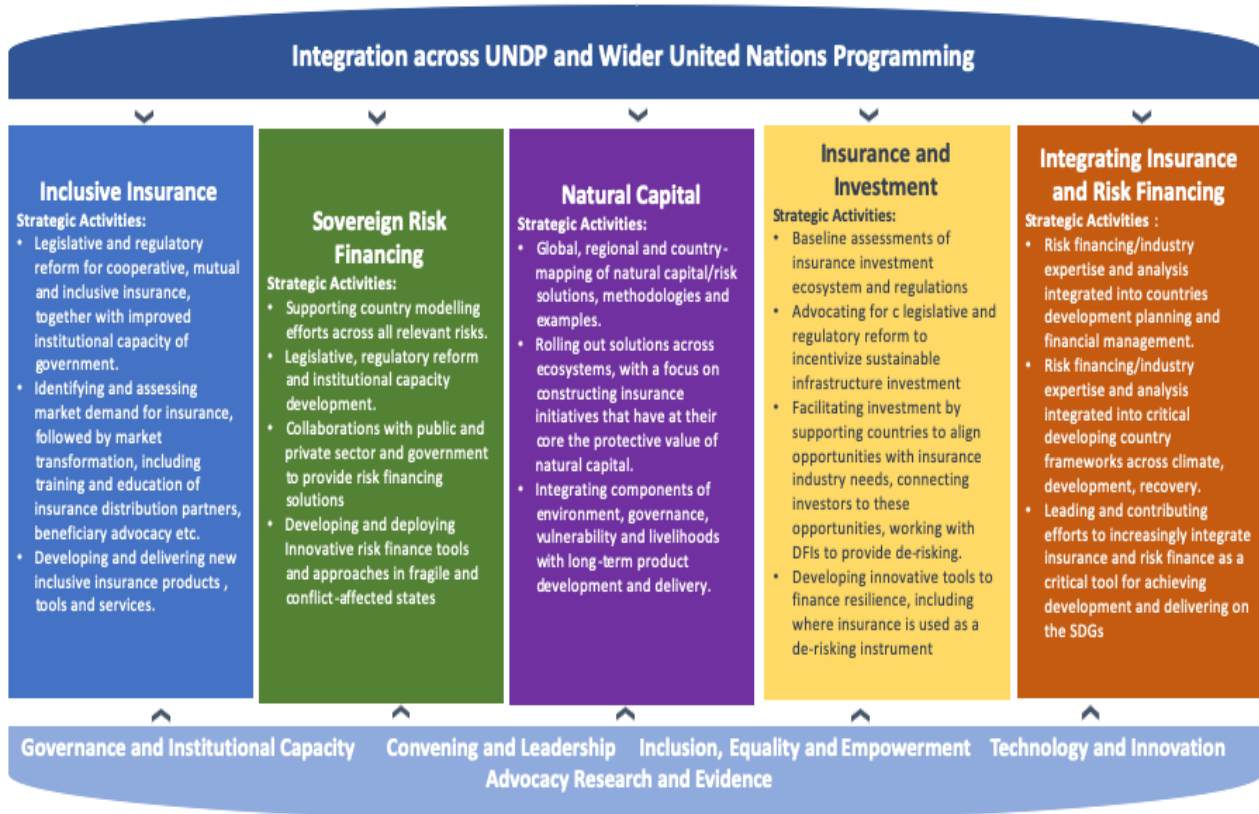


Figure 1: UNDP's Insurance and Risk Finance Facility, Workstreams, Activities

Insurance and Risk Finance Facility Outputs:

Six outputs contribute to UNDP's policy and programme support in insurance and risk finance for 2020 to 2025:

- Output 1: Increased access by vulnerable countries and communities to Inclusive Insurance solutions
- Output 2: Increased access by at-risk countries with long-term product development and delivery
- Output 3: Insurance, risk financing and investment solutions are leveraged to protect natural capital to enhance resilience in countries and communities at risk

¹⁵ UNDP Strategic Plan, Page 9.
Sept 2020

- Output 4: Insurance investment in SDGs is scaled and insurance-linked financial instruments to crowd-in and de-risk investment are developed and deployed, and accessible to core stakeholders.
- Output 5: Industry expertise and analysis integrated into country development frameworks.
- Output 6: Research, Evidence, Technology and Innovation

All of these contribute to the single outcome: **Country and community long-term resilience improved by development and delivery of insurance and risk finance solutions.**

Output 1: Increased access by vulnerable countries and communities to Inclusive Insurance solutions

Inclusive insurance is a critical way in which communities and households, especially the most marginalized, can access the protection and related benefits of the insurance sector. And more than that, inclusive insurance has been proven to broaden financial inclusion, opening up opportunities for banking, pensions and related services. UNDP's main focus is on the BMZ financed initiative running to 2025, working in 20 countries, and focusing on comprehensive inclusive insurance, from the enabling environment to market development, through to the development and deployment of new instruments, and impact measurement.

Output 2: Sovereign risk finance solutions developed and offered to at-risk countries:

Building on decades of work at the country level helping countries manage and reduce all kinds of risk, this workstream will focus 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.

Output 3: Insurance, risk financing and investment solutions are leveraged to protect natural capital to enhance resilience in countries and communities at risk

UNDP's significant track-record in environmental, livelihoods, risk-reduction and biodiversity present it with significant leverage potential for insurance initiatives, with natural capital presenting itself as a significant opportunity for mixing and matching investments in risk and resilience. This area of work matches the protective value of natural capital with the financial potential of investing in risk and resilience, and the decreasing of community vulnerability through investments in and protection of livelihoods. UNDP's flagship work in this space, the Reef2Resilience, being implemented with the Nature Conservancy, builds insurance directly onto barrier reefs, and through this protects the coastline, its assets, population and livelihoods.

Output 4: Insurance investment in SDGs is scaled and insurance-linked financial instruments to crowd-in and de-risk investment are developed and deployed, and accessible to core stakeholders.

This workstream has two inter-related elements. On the one hand only a fraction of the US\$33 trillion of industry assets under management goes towards the SDGs in developing countries. UNDP, through its work co-chairing the IDF investment working-group and through its programmatic framework with ICMIF board and members is actively developing ways of working with industry to finance more SDG-focused projects in partner countries. The second element of work is the mixing and matching of investment and risk transfer in the insurance initiatives developed and implemented, through the development of investment vehicles such as resilience bonds. In this case, the strength of these instruments will be that they are built on industry understanding of risk.

Output 5: Industry expertise and analysis integrated into country development frameworks:

The insurance industry has a massive potential to support development through its intimate understanding of risk and related information in 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 workstream is focused on integrating this expertise of industry in increasingly influential aspects of government and

community life, planning and development. This means going beyond insurance and risk transfer products to integrate industry expertise into planning and frameworks, from rural development to investment planning, post-disaster needs assessments to Paris commitments, from community risk assessments to public financial management.

Output 6: Research, Evidence, Technology and Innovation deepen programmatic delivery and widen influence:

UNDP's ability to provide the evidence of the importance of work undertaken and its impact to date, is critical to its long-term strategy. The core areas of work will be fourfold: a strong integration of insurance and risk-financing throughout corporate communications and advocacy; the use of industry data and analysis capacity to support more broad analysis and presentation of key issues across risk and development; the addition of a robust impact measurement component across all work; and the development of critical knowledge products, such as our annual 'State of the System' report outlining the current status of the insurance/development partnership, its progress, challenges and opportunities.

This research and evidence work will be complimented by an increasing focus on the use of technology and innovation throughout all workstreams and programming, focusing on better insurance and risk transfer products, offering an increasingly efficient means of service delivery, tracking and impact and more. This includes supporting three areas of development: increasing availability of data (internet of things, crowdsourcing, earth observation etc), increasing capacity to process that data (AI, cloud computing etc), and thirdly new tools for communicating risk data and mitigation advice. Blockchain, smart contracts, and end to end data platforms (from distribution to payment to monitoring) will increasingly integrated into all work, adding significant value to insurance/risk finance and related work at the country level, as well as improving efficiency and effectiveness.

UNDP and UN Integration:

Running through all of these focus areas is the systematic examination of how insurance and risk finance solutions can be brought to bear on what already is being programmed. This is the logical extension of how insurance/risk transfer cut across sectors and thematic areas, as relevant to poverty reduction as to adaptation, health to livelihoods, business development to disaster recovery and social protection. This grants UNDP an excellent opportunity to leverage its incoming capacity and expertise in insurance to work both across and beyond UNDP, through both the creation of new initiatives where none existed, but also through adding insurance components onto already existing initiatives. In UNDP alone programmes are being developed with biodiversity, adaptation, health, and disaster risk reduction teams as well as with specific regional bureaus and country offices. In addition work is underway on collaborations with UNICEF and WFP at the country level, UNDRR on integrating with the Global Risk Assessment Framework and UNEP's Sustainable Insurance Facility. The work of integration will be continuous through the life of this project.

OUTPUT 1: INCLUSIVE INSURANCE



- Strategic Activities: (in 20 countries)**
- Enhancing risk modelling for inclusive insurance
 - Legislative and regulatory reforms for mutual, cooperative, inclusive insurance, together with improved institutional capacity of government.
 - Identifying and assessing market demand, followed by significant work on market transformation, including training and education of insurance distribution partners, beneficiary advocacy etc.
 - Developing and delivering of new inclusive insurance products and tools

Development Challenge
 Traditional insurance products and services are often beyond the range of large sections of populations, especially in developing countries. There are issues of the cost, complexity, knowledge and trust. In addition, there are often inadequacies in the legislation and regulatory environments with weak distribution networks.

- Assumption:**
1. No collapse in global system of coordination and partnership (particular IDF, ICMIF, InsuResilience)
 2. No major drop in political commitment, resource allocation
 3. Consensus continues on the importance of partnerships
 4. Enabling environment provides the necessary conditions for service providers to deliver
 5. Greater participation of distribution via education and training increases insurance uptake by communities
 6. Governments/stakeholders interested in applying insurance solutions to build resilience
 7. Government/stakeholders agree insurance is an effective tool to build resilience in populations
 8. Climate change lead to more natural disaster, meaning higher risk for vulnerable population
 9. Insurance is reducing impact of climate change and disaster on development
 10. COVID-19's Impact can be integrated into present and future operations and will not undermine them.

OUTPUT2: SOVEREIGN RISK



- Strategic Activities: (in 20 countries)**
- Supporting legislative, regulatory reform and institutional capacity development
 - Managing joint work with the private sector at the country level.
 - Developing and deploying Innovative risk finance tools and approaches in fragile and conflict-affected states

Development Challenge
 Every year critical sectors country economic growth, livelihood provision and transportation are deeply affected by disaster, with massive consequences on long-term development in many cases. Countries often do not have the right quantity and technical capacity to develop and deliver risk financing solutions to successful ensure their critical assets and areas of growth are protected.

- Assumption**
- 1.No collapse in global coordination and partnership (particular with IDF and InsuResilience)
 - 2.No major drop in political commitment and resource allocation
 - 3.Consensus continues on the importance of partnerships
 - 4.Governments interested in applying risk finance solutions to build resilience and will make political, financial contribution.
 - 5.Government and other stakeholder agree risk financing is an effective tool to build resilience in vulnerable populations
 - 6.Climate change leads to more natural disaster, meaning higher risk for vulnerable population
 - 7.Insurance is reducing the impact of climate change on development and the impact of disaster.
 - 8.COVID-19's Impact can be integrated into present and future operations and will not undermine them.

OUTPUT 3: NATURAL CAPITAL



- Strategic Interventions:**
- Global mapping of natural capital/risk solutions, methodologies and examples.
 - Implementing Reef2Resilience initiative in 10 countries, including enabling environment/governance, vulnerability/livelihoods and product development/delivery.
 - Developing additional natural capital/protective initiatives in a further 10 countries.

Development Challenge
 Our critical natural capital is under direct threat from a host of factors, whether human (population growth and location) or from climate change (drought, flood and cyclone). This same natural capital is in many countries critically economic growth, livelihoods and food production. And in many cases, such as in marshlands, river deltas, reefs and mangrove forests, the very nature of this natural capital is a critical protection to lives and livelihoods.

- Assumption**
1. Insurance on natural capital remains a valid business model for private sector
 2. Natural capital continues to receive attention from a wide range of critical stakeholders
 3. No major drop in political commitment and resource allocation
 4. Consensus continues on the importance of partnerships
 5. Governments and other key stakeholders are interested in applying insurance solutions to build resilience
 6. COVID-19's Impact can be integrated into present and future operations and will not undermine them.

OUTPUT 4: INVESTMENT AND FINANCING

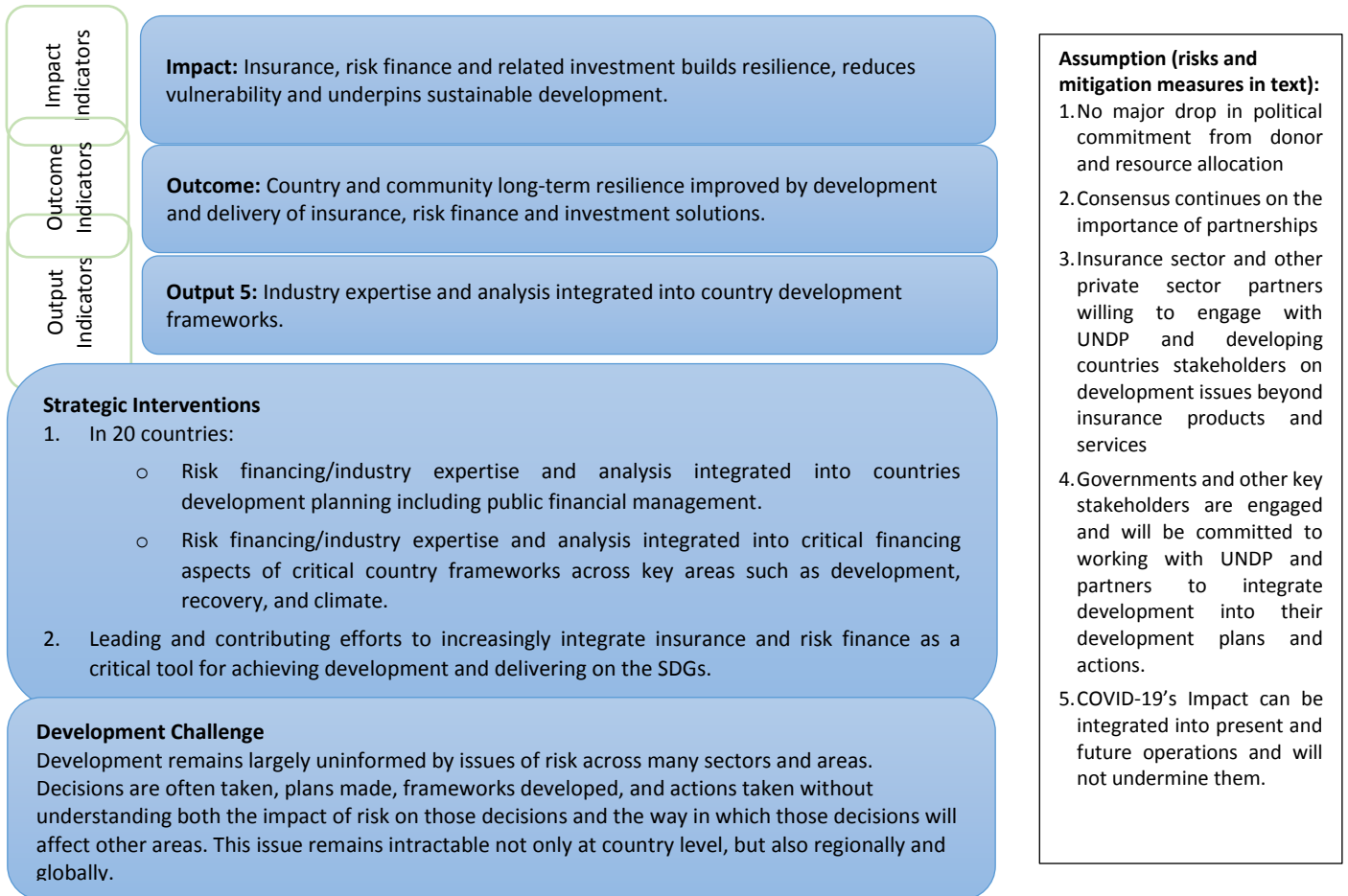


- Strategic Activities:**
- Developing country-level baseline assessments of insurance industry investment ecosystem and local regulations
 - Advocating for legislative and regulatory reform at the country-level to incentivize and prioritize sustainable infrastructure investment
 - Facilitating sustainable infrastructure investment by supporting countries to structure opportunities aligned with unique insurance industry needs, connecting investors to these opportunities, working with DFIs to provide de-risking instruments.
 - Develop innovative tools to finance resilience such as resilience bonds, including where insurance is used as a derisking instrument

Development Challenge
 In order to mitigate emissions and build 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, many insurance investors have many further challenges to their development country project financing.

- Assumption**
1. No major drop in political commitment from donor and resource allocation
 2. Consensus remains on the importance of partnerships
 3. Insurance sector and other private sector partners willing to engage with UNDP and developing countries on investment opportunities
 4. Countries willing to work with private sector on investment opportunities
 5. Governments and other key stakeholders are interested in applying insurance related instruments to build resilience
 6. Sufficient project in developing countries that would meet investment requirements of insurance companies
 7. Available catalytic instruments from DFIs or other partners that could be blended with insurance capital to make investments sufficiently attractive.
 8. COVID-19's Impact can be integrated into present and future operations and will not undermine them.

OUTPUT 5: INTEGRATION INTO DEVELOPMENT



Supporting Activities

Underpinning each of the five workstreams within the UNDP strategy for the Insurance and Risk Finance Facility (expressed as outputs in this project document) are a set of five 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, advocacy/research/evidence areas, these will be mainstreamed throughout the project's outputs. These latter two will, because of their specific activities that require financing, are best served through their own output – throughout this output there will be a dedicated and substantial integration of issues of inclusion, equality and empowerment.

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

- **High-Level Leadership:** UNDP's Administrator co-chairs the IDF and is a member of the High-Level Consultative Group of the InsuResilience Global Partnership. Several other insurance-related engagements are already a core part of the UNDP calendar at a senior level, including the annual International Insurance Society conference.
- **Technical Leadership:** UNDP plays a key role within the IDF, co-chairing its operational committee, and co-chairing three of its working-groups – through this helping drive the IDF's current and future focus. UNDP is also a member of the InsuResilience's programme alliance, made up of the partnership's core actors, and with the task of coordinating operational agencies.
- **Regional Convening:** With unrivalled country and regional presence, UNDP is significantly increasing its presence in the insurance and risk financing space, with several major events in planning for 2020, on sovereign risk and inclusive insurance for housing.

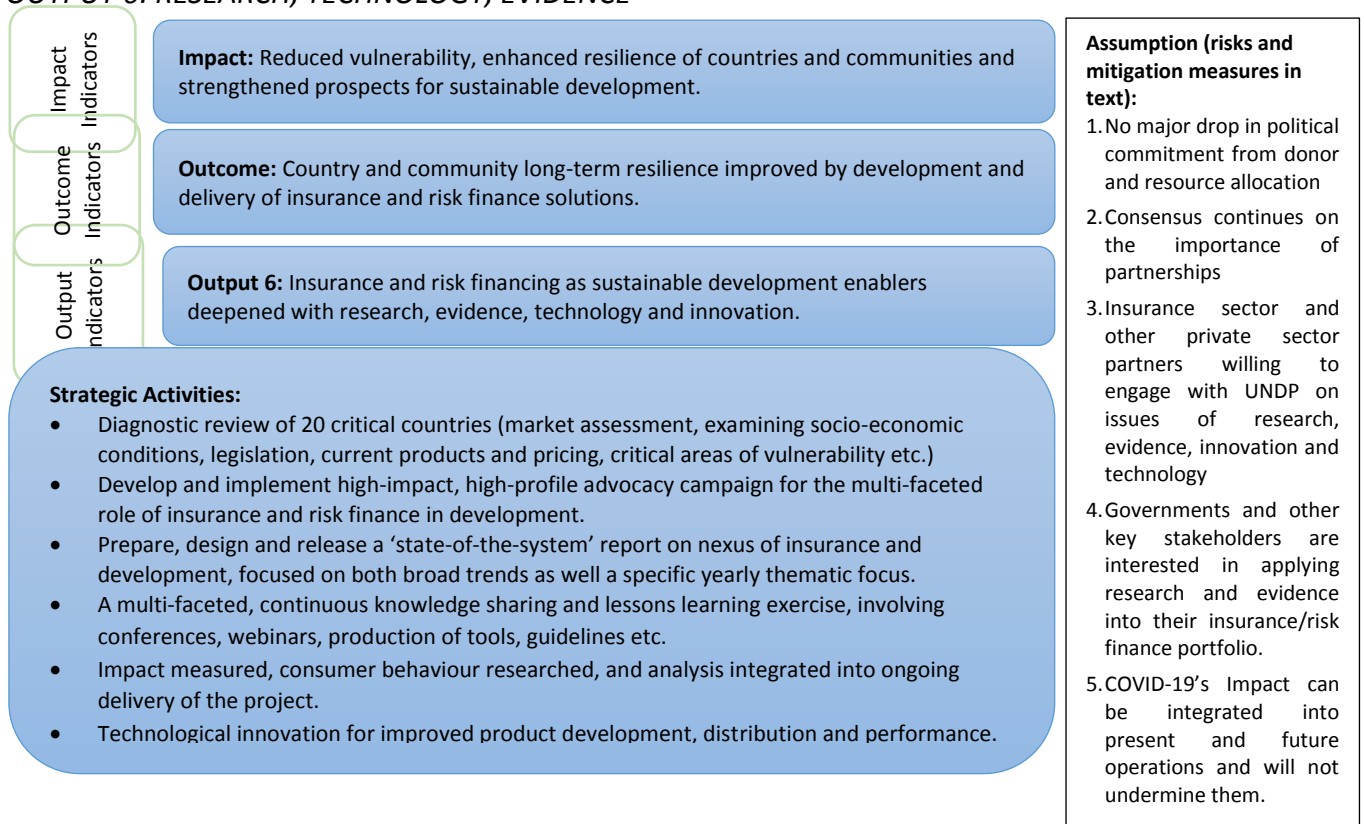
Governance and Institutional Capacity: Regardless of the work or workstream, governance and institutional development will always be a core way in which UNDP provides technical assistance to country partners, across inclusive insurance, risk financing, resilience investments, and more.

Inclusion, Equality, 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.)

Technology: Technological developments are increasingly contributing to better insurance and risk transfer products, and offer an increasingly efficient means of service delivery, and this work will be supported throughout UNDP’s work. This includes supporting three areas of development: increasing availability of data (internet of things, crowdsourcing, earth observation etc), increasing capacity to process that data (AI, cloud computing etc), and thirdly 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.

Advocacy, Research and Evidence: UNDP’s ability to provide the evidence of the importance of work undertaken and its impact to date, is critical to its long-term strategy. The core areas of work will be fourfold: a strong integration of insurance and risk-financing throughout corporate communications and advocacy; the use of industry data and analysis capacity to support more broad analysis and presentation of key issues across risk and development; the addition of a robust impact measurement component across all work; and the development of critical knowledge products, such as our annual ‘State of the System’ report outlining the current status of the insurance/development partnership, its progress, challenges and opportunities.

OUTPUT 6: RESEARCH, TECHNOLOGY, EVIDENCE



III. RESULTS AND PARTNERSHIPS

Expected Results

The overall impact this project should achieve is that countries and community's long-term resilience is improved by the development and delivery of inter-related insurance, risk finance and investment solutions. Through a critical set of six thematic outputs, UNDP and partners will work to deliver long-term transformative changes in some of the most critically at-risk countries. Work will be multi-faceted, including market transformation on both the supply (legislation, regulation, institutional capacity) and demand (training/education of distributors, advocacy) side of insurance and risk finance, underpinned by investments in convening and leadership, technology and innovation, equality and empowerment, research and evidence. Across the range of outputs these long-term investments will be supported by the development and delivery of insurance and risk finance tools, products and services. Through this work, the Insurance and Risk Finance Facility will deliver against many SDGs but in particular a key set of six – no poverty, zero hunger, good health and wellbeing, gender equality, decent work and economic growth, climate action.

Resources Required to Achieve the Expected Results

The human and financial resources required to deliver these results come from a range of sources including through contributions from donors and UNDP core resources. As this project is considerably multi-faceted and cuts across many sectors of life and living, many UNDP (and non-UNDP) colleagues will be supporting its overall delivery. Inside 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. As considerable levels of financing will go to country offices for their delivery in key areas of the Facility, there will be a special exercise in estimating and costing requirements critical for success.

Partnerships

The Insurance and Risk Finance Facility will implement very much within a framework of partnership. On the one hand at the strategic level UNDP's engagement is very strong both at the leadership and technical level, with strong representation (including that of the Administrator) within the Insurance Development Forum (IDF) InsuResilience Global Partnership and Ocean Risk and Resilience Action Alliance (all of which UNDP has in one way or another helped establish.) And this strategic engagement has in part led to the many projects in development, including the tripartite agreement worth 20 million euros, between BMZ, UNDP and the IDF (including nine private sector companies that have put forward US\$5 billion of risk capital). Beyond that, the Insurance and Risk Finance team is working with a very influential constellation of both public and private actors. The Reef2Resilience programme development is an example of such partnership, with funding support from internal UNDP resources and the Asian Development Bank, likely soon complimented by that of the GEF and InsuResilience Solutions Fund, technical development support from TNC and ADB, private sector implementation support from SwissRe, AXA-XL and RMS, and governance leadership in all partner countries and communities.

Formal partnership agreements meanwhile underpin much of the programme's delivery. This includes agreements with the IDF and its private sector members on sovereign risk finance (including the joint management of a programme coordination unit) with the ICMIF secretariat, board and members across four critical areas, and with the InsuResilience Global Partnership. In-development agreements covering institutional development include both the Micro-Insurance Network, Access2Insurance initiative and ILO¹⁶.

This partnership framework includes at all times United Nations funds, agencies and programmes. UNEP, UNDRR, ILO are all partners within the IDF structure. UNDP is supporting the work of UNOCHA on anticipatory finance and is actively developing risk transfer solutions with UNICEF. Further UN collaborations are in the

¹⁶ It is envisioned at this stage that some of these partnerships, such as the A2I initiative would be implementing partners for the delivery of technical assistance.

pipeline. In addition to this, UNDP has brought together the multilateral partners of the IDF (in this case including the World Bank) together in regular meetings in order to elaborate joint advocacy and policy positions with regard to the work of the IDF as it becomes more programmatic.

Partnerships with the Private Sector:

This is a critical set of connections for the Insurance and Risk Financing Facility and will represent key partners and stakeholders for implementation. Discussions are underway with some of the most influential private sector partners, such as SwissRe, Allianz, Willis-Towers-Watson, and Generali, which will greatly enhance the value and impact of the Facility as it rolls out and is implemented. Collaborations include through the 'Tripartite Agreement' with the Insurance Development Forum and German government, as well as in areas such as Natural Capital and Risk, Climate Risk Analytics for Investment and SME protection, with a strong focus on going through the necessary due diligence and risk analysis processes.

Risks and Assumptions

There are three major risks and related assumptions to the work of UNDP's Insurance and Risk Finance Facility as outlined in this project:

- 1) A change in donor priorities. This is relevant during the development of this project because of the unprecedented impact of COVID-19 on national budgets, tax revenues and global trade. There is however no indication as yet that this will affect investments in insurance/risk finance work within development, and the focus on sustainability in the face of pandemic risk could very well strengthen the mid to long term work of UNDP and others in this space. In addition to this, UNDP will actively leverage incoming financing to source other financing from donors, in order to cushion impact on one or more key funders.
- 2) A failure of national governments to engage. If this occurs it could, within individual countries, significantly hamper delivery and in especially in the area of sovereign risk finance, essentially stop it completely. To date there is no evidence of this but rather a heightened interest in working with UNDP on Insurance and Risk Finance in a world of growing risks and threats to development. This risk will be tackled head-on through utilising the strong working relationships of our country offices with government and leveraging the success of projects delivered in related spaces across financing and risk.
- 3) There is also the potential risk of insurance partners (whether mutual/cooperative or private sector) seeing little value in working with the development sector and therefore pulling resources out of their engagement. This is unlikely at present; in fact, there is a marked increase in collaboration between the insurance/development community, including UNDP. For UNDP's own programming, our entire delivery package is based upon partnership with industry; we will not, for example develop and distribute insurance of our own. Our partners will do that with our support.

Stakeholder Engagement

Critical stakeholders and target groups will be varied, depending on the aspects of the Facilities operation. For example, at the global level will be UNDP's delivery partners within the Insurance Development Forum, InsuResilience Global Partnership, ICMIF and more, as well as key government 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 Facilities operations, dedicated resources are set aside for convening, bringing together stakeholders both in the areas of inclusive insurance and sovereign 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 sovereign 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 them partner countries.

Knowledge

Knowledge management, advocacy, research and evidence will be critical components of the work of the Insurance and Risk Finance Facility. A dedicated underpinning workstream within the Facility strategy and an output within this project document articulate the critical nature of this work. The project will therefore feature a range of material that will not only create visibility for knowledge and lessons learned but deepen engagement with industry and influence other work across the insurance/development nexus. Core elements of this work will be regular policy papers, technical guidelines, and multimedia content. This will include a regular webinar series delivered with industry and the annual production of a high-profile 'state-of-the-system' report into how the insurance and development communities are working together to underpin development

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 in inclusive, sovereign risk 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.

IV. PROJECT MANAGEMENT

Cost Efficiency and Effectiveness

The project will be led by a central team within the Finance Sector Hub but will be significantly dependent on strong working relations across many UNDP and external levels. Firstly, 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. Thirdly 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 in particular will be key to the work of the project, and the central team will work with them to deliver critical aspects across enabling environment, market transformation and product development and delivery.

Internal monitoring and evaluation procedures will be based upon a regular monitoring of expected results and indicators, particularly at the output level. This will be carried out quarterly and annually, based on a monitoring plan that will be validated at the start of the project, in accordance with the rules of good governance and

visibility set ***out in accordance with UNDP rules and procedures and updated based on the baseline assessment.***

Project Management- Structure and Broad Terms of Reference

Initial outlines for the central team, regional specialists and country office delivery, as noted below:

- Central Team: Responsible for the following: Overall programme responsibility, development and delivery. Overall technical assistance packages. Coordination and coherence, internally and externally. Corporate delivery. Global Fundraising. Global technical leadership, such as through Insurance Development Forum, InsuResilience Global Partnership, ICMIF, Ocean Risk and Resilience Action Alliance. Fully Funded, this team will comprise of the:
 - Team Leader: Overall leadership and responsibility for the Facility
 - P5 Sovereign Risk and Country Coordination: Overall lead of the sovereign risk finance portfolio and manager of the regional specialists.
 - P4 Inclusive Insurance: Lead of all the work on inclusive insurance, including representation on IDF and InsuResilience Working-Groups:
 - P4 Insurance Investment: Lead on all insurance investment work, including integration across to key UNDP teams such as the NCE cluster.
 - P4 Natural Capital/Risk: Lead on all work focusing on the intersection of natural capital, risk, insurance and financing, including representation on Ocean and Risk Resilience Action Alliance.
 - P3 Knowledge Management/Research and Evidence Coordinator: Coordinator of all the research and evidence work of the team, including KM products, M&E, challenge fund etc.
 - P1 Project Analyst: Main coordinating, planning focus of the team.
 - P4 Liaison posted to Programme Management Unit of the Tripartite Agreement.
- Regional Specialists: Development and delivery of regional portfolios. Direct support to country office delivery of insurance/risk finance. Concept origination and development, regionally and support to country offices. These will be posted at:
 - Amman, covering RBEC and RBAS
 - Pretoria, covering RBA
 - Bangkok, covering RBAP
 - New York, covering RBLAC, but with a specific corporate support role in additional to regional.
- Administrative Support: As this project has significant scale and scope it also contributes 50% to the work of two Istanbul based FSH support staff, both a P2 and G6 position. (See organagram.)
- Country Offices: Delivery of global insurance and risk finance funding allocated to individual countries. (NB: it is envisioned that countries that are selected under BMZ financing for the Insurance and Risk Finance Facility, will be granted funds to be managed by country offices, against a workplan and set of deliverables prepared in collaboration with the central team, regional specialists and those country offices.)

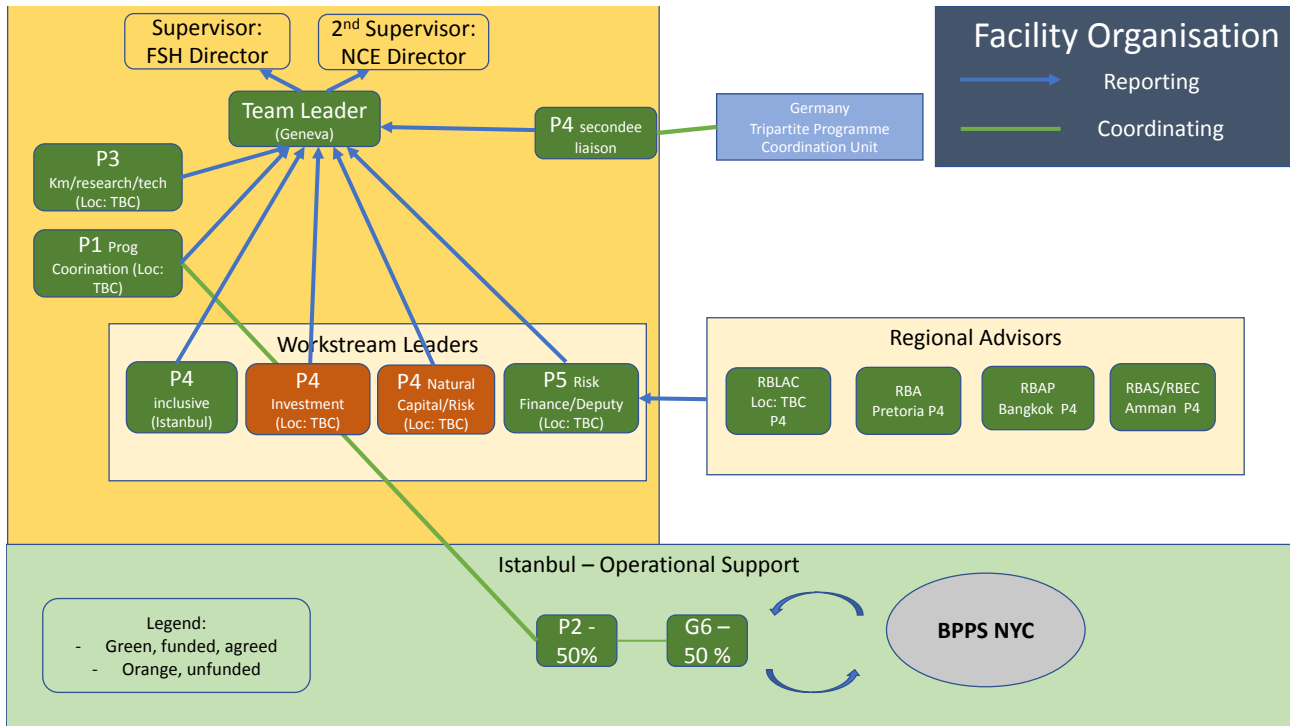


Figure 2: Structure of Insurance and Risk Finance Team (Legend Green-Funded; Orange - Unfunded from Current Sources)

- Collaboration Across UNDP: Delivery of the Insurance and Risk Finance Facility work will be dependent on strong working relations across UNDP, with the nature of the work essentially 'sector-less'. Hence collaborations (advocacy, policy and programmatic) will be sought across key teams including health, social protection, biodiversity, adaptation, DRR and more. See below for more details.

Collaboration across the Finance Sector Hub (FSH)

The Insurance and Risk Finance Facility will be firmly embedded in the FSH at all levels, globally, regionally and at the country level. Collaborations will be relevant across many areas but some of the most relevant are as follows:

- Integrated National Financing Frameworks: UNDP's expanding INFF work provides an opportunity to jointly deliver, with the Facility focus on the integration of risk, analytics and modelling into development financing, being developed and implemented in collaboration with the INFF team. (Already in development.)
- Business Call to Action: The Facility partnerships include some of the largest and most influential corporations in the world, up to CEO level, and this can be leveraged to enhance the membership and reach of BcTA.
- SME/Private Sector: 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.
- SDG Impact: With one of the five workstreams of the Facility dedicated to insurance investments, SDG impact provides a potential entry point for work with the insurance industry to increase its investment in sustainable development.

As part of the roll-out of the Facility in the second half of 2020, a dedicated strategy for integrating its work into the rest of the FSH will be undertaken, together with colleagues across the team.

Collaboration with Nature, Climate and Energy Cluster

While the Insurance and Risk Finance Facility is a part of the Finance Sector Hub, and also has a strong relationship to many parts of UNDP programmes, projects and teams, there is a particularly strong connection with the Nature, Climate and Energy Cluster. The connections are many, but include as a snapshot:

- Biodiversity: With the Reef2Resilience flagship programme and expanding work on natural capital and risk.
- Oceans: Through UNDP's leadership within the Ocean Risk and Resilience Action Alliance, an innovative finance platform for coastal zones.
- Adaptation: In areas of agricultural insurance and where adaptation/resilience touches on areas of risk financing.
- Food and Commodities: In joint work connecting producers to food companies, especially with insurance providing resilience to producing communities
- Renewable Energy: Providing an insurance layer to off-grid energy programmes.
- NDCs: Integrating Risk Financing into the NDC-revising process.

This snapshot indicates the potential for collaboration. It has been agreed therefore that there will be a systematic collaboration between the Insurance and Risk Finance Team to discuss collaboration, including points like:

- Expanding NCE portfolio options to include insurance and risk finance, with the development of guides and tools for appropriate teams and country offices.
- Systematically reviewing vertical fund applications for the potential for insurance and risk finance components to be added.
- Developing insurance-focused projects that complement existing NCE programming.
- Developing complementary research and evidence products.

As the project develops the P4 responsible for the workstream on natural capital and resilience financing within the Facility will play a leading role in making these connections a success.

Other UNDP Collaborations

While the FSH and NCE collaborations represent some of the most important areas of collaboration across UNDP and the GPN, given the somewhat 'sectorless' quality of insurance and risk finance, there are many cross-overs with other parts of UNDP's work, some of which follow, some of which are already in development:

- Health: A critical sector and one of the key areas for the insurance industry, it represents a critical area for development and work has already commenced with the health team on considering joint technical platforms for micro-insurance and rethinking massive health inequalities in the wake of COVID-19.
- 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.
- Gender and Women's Empowerment: 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.)
- Inclusive Growth: There is a strong interplay between social protection, inclusive growth and insurance, with the provision of insurance as a tool for both building resilience and long-term inclusivity to economic growth an area with substantial potential.
- 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.

V. RESULTS FRAMEWORK

SP Outcome: Outcome 1												
Applicable Output(s) from the UNDP Strategic Plan: 1.2.2 Enabling environment strengthened to expand public and private financing for the achievement of the SDGs.												
Project title and Atlas Project Number:												
EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)							DATA COLLECTION METHODS & RISKS ¹⁷
			Value	Year	Year 2020	Year 2021	Year 2022	Year 2023	Year 2034	Year 2035	CUMULATIVE	
Output 1 -Inclusive Insurance Increased access by vulnerable countries and communities to Inclusive Insurance solutions	1.1 Number of legislative, regulatory and institutional reform processes commenced and completed	Facility Team and COs	0	2020	0	4	5	5	4	2	20	Country Survey & Reporting
	1.2 Number of market transformation packages developed and delivered	Facility Team and COs	0	2020	0	4	5	5	4	2	20	Country Survey & Reporting
	1.3 Number of new insurance products and tools, developed and delivered	Facility Team and COs	0	2020	0	4	5	5	4	2	20	Country Survey & Reporting
	1.4 Number of countries where risk modelling is used to support inclusive insurance	Facility Team and COs	0	2020	0	4	5	5	4	2	20	Country Survey & Reporting
	1.5 Number of people that are the beneficiaries of insurance or risk transfer solutions	Facility Team and COs	0	2020	0	1,000,000	1,250,000	1,250,000	1,000,000	500,000	5 million	Country Survey & Reporting
Output 2 – Sovereign Risk Increased access by at-risk countries to Sovereign Risk Finance solutions	2.1 Number of legislative, regulatory and institutional reform processes commenced and completed	Facility Team and COs	0	2020	0	4	5	5	4	2	20	Country Survey & Reporting
	2.2 Number of risk finance solution packages offered to government. ¹⁸	Facility Team and COs	0	2020	0	4	5	5	4	2	20	Country Survey & Reporting, Tripartite Agreement Monitoring
	2.3 Number of innovative risk finance tools developed and deployed in fragile and conflict affected states.	Facility Team	0	2020	0	2	2	2	2	2	20	Global Facility Monitoring
Output 3 – Natural Capital Insurance, risk financing and investment solutions are leveraged to protect natural capital to enhance resilience in countries and communities at risk	3.1 Global mapping of natural capital/risk solutions, methodologies and examples	Facility Team	0	2020	1	0	0	0	1	0	2	Global Facility Monitoring
	3.2 Reef2Resilience Initiative implemented in key countries		0	2020	0	2	2	2	2	2	10	Global Facility Monitoring
	3.3 Number of new natural capital/risk finance solutions developed	Facility Team	0	2020	0	2	2	2	2	2	10	Global Facility Monitoring

¹⁷ 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.

¹⁸ Note that the actual take-up of risk financing solutions by government is 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 of these processes, elements of process, 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.

Output 4 – Investment and Financing Insurance investment in SDGs is scaled and insurance-linked financial instruments to crowd-in and de-risk investment are developed and deployed, and accessible to core stakeholders	4.1 Analysis of insurance industry SDG investment potential	Facility Team	0	2020	1	0	0	0	1	0	2	Global Facility Monitoring
	4.2 Number of baseline assessments of industry investment and national ecosystem and local regulations	Facility Team	0	2020	1	2	2	3	3	4	15	Global Facility Monitoring
	4.3 Number of insurance industry investments in developing countries facilitated	Facility Team and COs	0	2020	0	1	1	2	2	3	9	Country Survey and Reporting
	4.4 Number of innovative financing tools developed and deployed	Facility Team	0	2020	0	1	1	1	2	2	7	Global Facility Monitoring
Output 5 – Integration into Development Industry expertise and analysis integrated into country development frameworks	5.1 Number of countries where Insurance/Risk financing expertise integrated into development/financial planning and management	Facility Team and COs	0	2020	0	2	4	6	6	2	20	Country Survey and Reporting
	5.2 Number of countries where Insurance/Risk Finance into critical national development frameworks.	Facility Team and COs	0	2020	0	2	4	6	6	2	20	Country Survey and Reporting
Output 6 – Insurance and risk financing as sustainable development enablers deepened with research, evidence, technology and innovation.	6.1 Number of diagnostic reviews of insurance and risk financing in target countries	Facility Team	0	2020	6	8	6	0	0	0	20	Global Facility Monitoring
	6.2 Advocacy campaign developed and delivered for integrating insurance in development	Facility Team	0	2020	0	1	0	0	1	0	2	Global Facility Monitoring
	6.3 State of the System High-Level Report produced and disseminated	Facility Team	0	2020	0	1	0	1	0	1	3	Global Facility Monitoring
	6.4 Global plan for KM/lessons plan developed and implemented	Facility Team and COs	0	2020	1	0	0	1	0	0	2	Global Facility Monitoring
	6.5 Number of insurance/risk finance products enhanced with technological innovation	Facility Team			0	2	2	3	3	4	14	Country Survey and Reporting
	6.6 Number of countries in which Challenge Fund for Inclusive Insurance developed and implemented	Facility Team and COs			0	5	7	8	0	0	20	Global Facility Monitoring

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 500,000 USD has been set aside to undertake these activities as required, see budget plan.]*

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action
Track results progress	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.
Monitor and Manage Risk	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.
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.
Annual Project	The quality of the project will be assessed against UNDP's quality	Annually	Areas of strength and weakness will be reviewed

Quality Assurance	standards to identify project strengths and weaknesses and to inform management decision making to improve the project.		by project management and used to inform decisions to improve project performance.
Review and Make Course Corrections	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.
Project Report	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)	
Project Review (Project Board)	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

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDP Strategic Plan Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
Mid-Term Evaluation	N/a	1.2.2	1	2022	Beneficiary populations and country governments	BMZ, Core, Other Donors
Final Project Evaluation	N/a	1.2.2	1	2025		

VII. MULTI-YEAR WORK PLAN ¹⁹²⁰

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year						RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1	Y2	Y3	Y4	Y5	Y6		Funding Source	Budget Description	Amount
Output 1: Increased access by vulnerable countries and communities to Inclusive Insurance solutions <i>Gender marker:2</i>	1.1 Risk modelling structure and system for inclusive insurance developed, piloted and rolled out across all target countries.	50,000	50,000	50,000	50,000	0	0	UNDP and Mutual Partners	BMZ	Workshops Travel Consultants Policy Advisory Staff	200,000
	1.2 legislative, regulatory reform and institutional capacity development, involving technical assistance plans developed and deployed across all target countries, with multi-stakeholder engagement through training, workshops, development plans etc.	250,000	1,000,000	1,000,000	1,000,000	1,000,000	250,000		BMZ	Workshops Travel Consultants Policy Advisory Staff	4,500,000
	1.3 Market Transformation through the training and education of inclusive insurance distribution partners, coupled with appropriate advocacy and understanding work with beneficiary populations.	300,000	750,000	750,000	750,000	750,000	0		BMZ	Workshops Travel Consultant Policy Advisory Knowledge and Advocacy Products Staff	3,300,000
	1.4 The development and delivery of insurance products, tools and services for vulnerable groups	500,000	1,500,000	2,500,000	2,500,000	500,000	500,000		BMZ	Workshops Travel Consultants Policy Advisory Staff	8,000,000
	Sub-Total for Output 1										

¹⁹ 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

²⁰ 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.

Output 2: Sovereign Risk Increased access by at-risk countries to Sovereign Risk Finance solutions <i>Gender marker:2</i>	2.1 legislative, regulatory reform and institutional capacity development involving technical assistance to review and reform legislation and regulation, and the strengthening of institutional capacity.	500,000	1,500,000	2,000,000	2,000,000	1,500,000	750,000	UNDP and Risk Finance Partners	BMZ	Workshops Travel Consultants Policy Advisory Staff	8,250,000
	2.2 Convening, leading and management of joint work on risk financing (with the private sector) at the country level.)	500,000	1,000,000	1,250,000	1,500,000	1,250,000	750,000		BMZ	Workshops and Stakeholder Meetings Travel Policy Advisory Staff	6,250,000
	2.3 Innovative risk finance tools and approaches developed and deployed in fragile and conflict-affected states	100,000	100,000	100,000	100,000	100,000	0		BMZ	Workshops Travel Consultant Policy Advisory Staff	500,000
	Sub-Total for Output 2										
Output 3: Natural Capital Insurance, risk financing and investment solutions are leveraged to protect natural capital to enhance resilience in countries and communities at risk <i>Gender marker:2</i>	3.1 Global mapping of natural capital/risk solutions, methodologies and examples.	100,000			100,000			UNDP and Natural Capital Partners	ORRAA, UNDP	Workshop and Engagement Meetings Consultants Design, Layout, Publication, Printing Staff	200,000
	3.2 Reef2Resilience initiative in 10 countries, including technical assistance to governments, assessments of local environments for livelihoods and vulnerabilities, financial instrument development.	100,000	500,000	1,000,000	1,000,000	1,000,000	750,000		ADB, GEF, Canada, KfW	Workshops and Engagement Meetings Travel Consultants Policy Advisory Staff	4,350,000
	3.3 Developing and deploying additional natural capital/protective initiatives in a further 10 countries, including project development, governance, stakeholder development		400,000	550,000	500,000	500,000	500,000		TBD	Workshops and Engagement Meetings Travel Consultants Policy Advisory Staff	2,450,000
	Sub-Total for Output 3										

Output 4: Investment and Financing Insurance investment in SDGs is scaled and insurance-linked financial instruments to crowd-in and de-risk investment are developed and deployed, and accessible to core stakeholders <i>Gender marker:2</i>	4.1 Country-level baseline assessments of insurance industry investment ecosystem and local regulations	100,000	0	0	100,000	0	0	UNDP and Insurance Investor Partners	TBD	Workshops and Engagement Meetings Policy Advisory Staff	200,000
	4.2 Advocating for legislative and regulatory reform at the country-level through workshopping current situation and setting roadmap for future development.	0	50,000	50,000	75,000	75,000	50,000		TBD	Workshop Travel KM products Policy Advisory Staff	300,000
	4.3 Facilitating sustainable infrastructure investment through engagement in key global and regional insurance-related forums	100,000	125,000	200,000	250,000	350,000	300,000		TBD	Travel Consultant Policy Advisory Staff	1,325,000
	4.4 Development and deployment of innovative tools to finance resilience, including research and development, workshops, piloting, etc.	50,000	75,000	125,000	175,000	175,000	175,000		TBD	Workshop Travel Consultant Policy Advisory Staff	775,000
	Sub-Total for Output 4										2,600,000
Output 5: Integration into Development Industry expertise and analysis integrated into country development frameworks <i>Gender marker:2</i>	5.1 Risk financing/industry expertise and analysis integrated into countries financial management and planning, such as through INFFs	250,000	500,000	750,000	750,000	500,000	500,000	UNDP and Risk Modelling Partners	BMZ	Workshops and Engagement Meetings Travel Policy Advisory Staff	3,250,000
	5.2 Risk financing/industry expertise and analysis integrated into critical developing country frameworks such as NDCs and NAPs, through workshops, training and education, ongoing technical assistance.	250,000	500,000	750,000	750,000	500,000	500,000		BMZ	Workshops and Engagement Meetings Travel Policy Advisory Staff	3,250,000
	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	100,000	100,000	100,000	100,000	100,000	0		BMZ	Workshops and Engagement Meetings Travel Policy Advisory Staff	500,000
	Sub-Total for Output 5										7,000,000

Output 6: Insurance and risk financing as sustainable development enablers deepened with research, evidence, technology and innovation. <i>Gender marker:2</i>	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.	250,000	250,000	250,000	250,000	0	0	UNDP	BMZ, TBD	Workshops and Engagement Meetings Staff KM Product Design, Layout, Printing	1,000,000	
	6.2 High-impact, high-profile advocacy campaign developed and undertaken, featuring social media, articles, webinars, etc.	100,000	100,000	100,000	100,000	100,000	0	UNDP	BMZ, TBD	Staff Engagement Meetings KM Product design, layout and printing.	500,000	
	6.3 Annual 'state-of-the-system' report on nexus of insurance and development, developed, written, disseminated	250,000		250,000		250,000			UNDP	BMZ, TBD	Staff Engagement Meetings KM Product design, layout, printing.	750,000
	6.4 A multi-faceted, continuous knowledge sharing and lessons learning exercise developed for all country offices and programme country partners	150,000	50,000	50,000	150,000	50,000	50,000		UNDP	BMZ, TBD	Workshops and Engagement Meetings Travel Policy Advisory Staff	500,000
	6.5 Impact measured; consumer behaviour researched through surveys of country level work and impact.	50,000	100,000	150,000	150,000	150,000	150,000		UNDP	BMZ, TBD	Workshops and Engagement Meetings Travel Consultants Policy Development Staff	750,000
	6.6 Technological innovation researched and developed, for integration across all workstreams of the Facility	50,000	150,000	150,000	150,000	150,000	50,000		UNDP	BMZ, TBD	Research Consultants Policy Development Staff	700,000
	6.7 Challenge Fund Implementation in all 20 countries.	100,000	350,000	450,000	550,000	250,000	100,000		UNDP	BMZ, TBD	Workshops and Engagement Meetings Travel Policy Advisory Staff	1,800,000
	Sub-Total for Output 6											6,000,000

Evaluation (as relevant)	EVALUATION			250,000			250,000				500,000
General Management Support											4,900,000
TOTAL										60,000,000	

Year	2020	2021	2022	2023	2024	2025
Volume Budget	4,200,000	8,650,000	12,575,000	13,550,000	9,500,000	5,625,000

VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The governance and management structure of the Insurance and Risk Finance Facility have two main levels of different types:

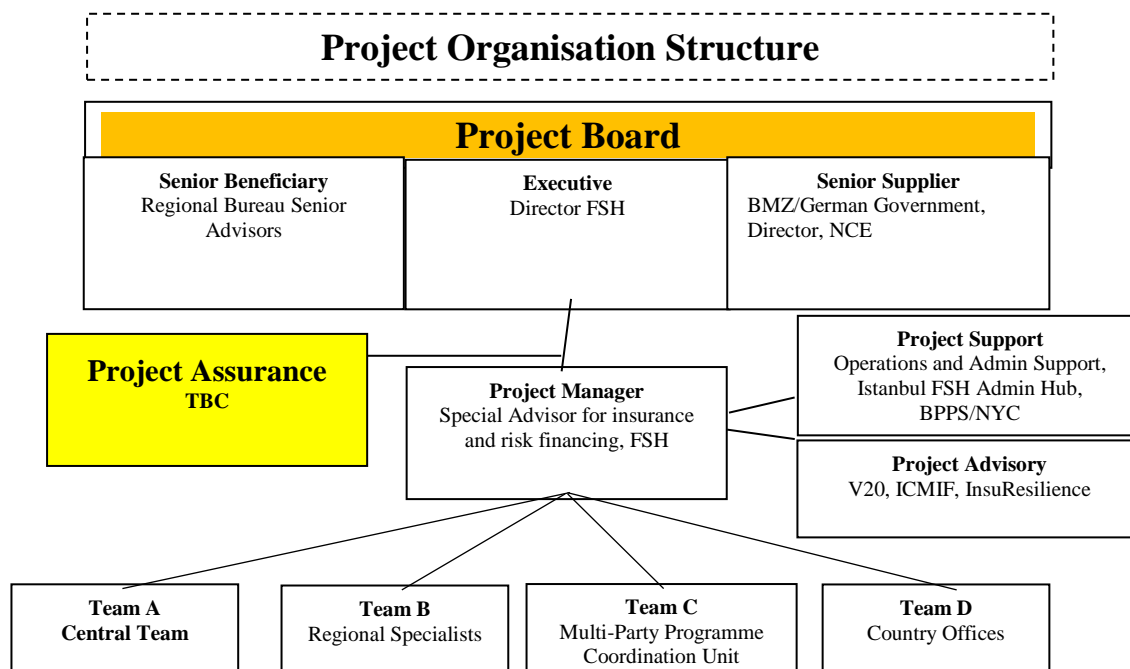
- Managerial: Internal management processes, roles and responsibilities, reporting lines etc, as indicated in the project implementation section.
- Through the project board which provides formal oversight of the Facility and its work.

In addition, the work of the Facility will be clearly part of the partnership arrangements of key global fora and partnerships, especially the Insurance Development Forum, InsuResilience Global Partnership, and Ocean Risk and Resilience Action Alliance. This will provide an additional albeit informal extra layer of review.

The Project Board

The Project Board serves as the project coordination and decision-making body, providing policy and strategic oversight and support to the implementation of the project. The Board will be guided by the Executive. The project Board will make strategic management decisions for the programme as well as provide guidance to the Programme Manager. The Project Board will meet once a year to approve annual work plans, review progress in the implementation of the project, and provide guidance or inputs toward the achievement of project results, risk management, evaluation (in due course). Changes to the project planned budget and revisions, up to 20% tolerance level will be delegated to the Executive, without requiring the approval of the project board.

- **Executive/Project Director:** individual representing the project ownership to chair the group. For this project this will be the Director of the Finance Sector Hub.
- **Beneficiary Representative:** individual or group of individuals representing the interests of those who will ultimately benefit from the project. The primary function within the Board is to ensure the realisation of project results from the perspective of project beneficiaries. For this project this will be Senior Advisors within Regional Bureaus.
- **Development Partners/Senior Supplier:** individual or group representing the interests of the parties concerned which provide funding for specific cost sharing projects and/or technical expertise to the project. The primary function within the Board is to provide guidance regarding the technical feasibility of the project. For this project this will be the senior donor, BMZ and the Director of the Nature, Climate and Energy cluster within UNDP.



Project Assurance role supports the Project Board Executive by carrying out the objectives stated in the project document and provides independent project oversight and monitoring functions. In this Project Document, the proposed Project Assurance role will be (TBD, preferably in the Geneva UNDP office).

Project Manager will be the special advisor for insurance and risk financing within UNDP's FSH. The Project Manager serves as the focal point and ensures effective communications between the project board members, team leaders and implementing partners across all outputs. This includes monitoring of progress towards expected results. In addition, the Project Manager will ensure that there is a project organizational structure in place to undertake the project and make adjustments as needed. The Project Manager will coordinate the work together with the four teams. Team A consists of the central implementation team. Team B consists of the regional specialists based in the regional hubs, who provide support to the country offices within the region. Team C will be the jointly delivered (with the IDF) Programme Coordination Unit, Team D will be country offices.

Project Support role provides project administration, management and technical support to the Project Manager as required. In this regard, the operations and admin team of the Finance Sector Hub Istanbul Administrative unit will provide support to the project manager, in collaboration with BPPS Resources and Operations Management team and project support teams based in the regions.

As elements of this project are still in development, especially the range of technical assistance provision to programme countries through and with UNDP Country Offices, occasional ad-hoc meetings will be convened to obtain decisions and guidance from the project board, such as in the issuance of Responsible Party Agreements and Low Value Grants.

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 SBAA's 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 SBAA with UNDP, attached hereto and forming an integral part hereof. All references in the SBAA 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.

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]²¹ [UNDP funds received pursuant to the Project Document]²² are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

²¹ To be used where UNDP is the Implementing Partner

²² To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner

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:
 - 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. In the performance of the activities under this Project, UNDP as the Implementing Partner shall ensure, with respect to the activities of any of its responsible parties, sub-recipients and other entities engaged under the Project, either as contractors or subcontractors, their personnel and any individuals performing services for them, that those entities have in place adequate and proper procedures, processes and policies to prevent and/or address SEA and SH.
 - d. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption, 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 and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
 - e. 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 and (b) 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.

- f. 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.
- g. 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 or corruption 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.

- h. *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.

- 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.
- j. 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.
- k. 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.

XI. PROJECT ANNEXES

- 1) External Facility Pitch Document (attached separately.)
- 2) Facility COVID offer (attached separately)
- 3) Country Office Meetings with Industry, Report (attached separately.)

Provisional Country List

The following countries have been shortlisted for selection for the first ten that will have programmatic resources through the inclusive insurance financial agreement made with the German Government. The process was as follows:

- Private Sector Industry prepared an industry short-list of 32 countries.
- Insurance & Risk Finance team met with Regional Bureaus to discuss prioritisation exercise and highlight a set of UNDP criteria/indicators to apply to the short-list.
- Regional bureaus analysed their countries, and prioritised ones that met criteria. They also added three to the exercise to advocate for inclusion with industry.
- The Insurance & Risk Finance team took these 35 countries and applied a further set of criteria to bring down to 20 countries.
- Meetings took place with BMZ to align with their priorities.
- We are now in the phase of calls between country offices and industry to discuss the situation for risk and finance in their countries and

Region	Country
RBLAC	Argentina
	Barbados
	Colombia
	Mexico
	Panama
RBAS	Morocco
	Jordan
RBEC	Armenia
	Uzbekistan
RBAP	Bangladesh
	India
	Indonesia
	Philippines
	Thailand
	Vietnam
RBA	Mozambique
	Nigeria
	Tanzania
	Uganda
	Ghana

STANDARD PRODOC ANNEXES (ALL ATTACHED SEPARATELY)

1. **Project Quality Assurance Report**
 2. **Social and Environmental Screening Template** [\[English\]](#) [\[French\]](#) [\[Spanish\]](#), including additional Social and Environmental Assessments or Management Plans as relevant. *(NOTE: The SES Screening is not required for projects in which UNDP is Administrative Agent only and/or projects comprised solely of reports, coordination of events, trainings, workshops, meetings, conferences, preparation of communication materials, strengthening capacities of partners to participate in international negotiations and conferences, partnership coordination and management of networks, or global/regional projects with no country level activities).*
 3. **Risk Analysis.** Use the standard [Risk Register template](#). Please refer to the [Deliverable Description of the Risk Register](#) for instructions
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