



Pacific Insurance and Climate Adaptation Programme

2022 ANNUAL REPORT



THE GOVERNMENT OF THE GRAND DUCHY OF LUXEMBOURG
Ministry of the Environment, Climate and Sustainable Development

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Abbreviations

A2ii	Access to Insurance Initiative
AG	Attorney General
AI	Artificial Intelligence
APCP	Australian Pacific Climate Partnership
API	Application Programming Interface
APMCDRR	Asia-Pacific Ministerial Conference on Disaster Risk Reduction
AWP	Annual Work Plan
CCF	Consumer Council of Fiji
CCSLA	Cane Farmers' Co-operative Saving and Loans Association
COP	Conference of Parties
CDRFI	Climate and Disaster Risk Financing and Insurance
CRIRC	Climate Risk Insurance Research Cooperation
CVF	Climate Vulnerable Forum
DFAT	Department of Foreign Affairs and Trade – Australia
DFS	Digital Financial Services
DRF	Disaster Risk Financing
DRFTWG	Disaster Risk Financing Technical Working Group
DRM	Disaster Risk Management
DRR	Disaster Risk Reduction
DSS	Demand Side Survey
DSW	Department of Social Welfare
EU	European Delegation
FAO	Food and Agriculture Organization
FDPF	Fiji Disabled People's Federation
FCLC	Fiji Crop Livestock Council
FCML	Fiji Coconut Millers Pte Limited
FEDP	Framework for Resilient Development in the Pacific
FEMM	Forum Economic Ministers Meeting
FGD	Focus Group Discussions
FIJICARE	FijiCare Insurance Limited
FinTech	Financial Technology
FMCAF	Financial Management Counsellors Association of Fiji
FRL	Fiji Rice Pte Limited
GESI	Gender Equality and Social Inclusion
GIS	Geographic Information System
GOI	Government of India
HUB	Inclusive Insurance Solutions Hub
IAJ	Insurance Association of Jamaica
IC	Investment Committee
ICII	International Conference on Inclusive Insurance
IGP	InsuResilience Global Partnership
ILO	International Labour Organization
InsurTech	Insurance Technology
ITGalax	ITGalax Solutions (Fiji) Pte Limited
LMI	Low to Middle Income
KFW	Kreditanstalt für Wiederaufbau
KPI	Key Performance Indicator
LOA	Letter of Agreement
M4C	Markets for Change
MCII	Munich Climate Insurance Initiative
MEAL	Monitoring, Evaluation, Accountability and Learning
MFAT	Ministry of Foreign Affairs and Trade – New Zealand
MIN	Microinsurance Network
MNOs	Mobile Network Operators

MRF	Munich Re Foundation
MSC	MicroSave Consulting
MSME	Micro, Small and Medium Enterprises
MTR	Mid-Term Review
MWCPA	Ministry of Women, Children & Poverty Alleviation
NFIS	National Financial Inclusion Strategy
NGOs	Non-governmental organizations
NRBT	National Reserve Bank of Tonga
NWC	Nature's Way Co-operative Fiji Ltd
PBA	Performance Based (Grant) Agreement
PCRIC	Pacific Catastrophe Risk Insurance Company
PD	Project (Appraisal) Document
PDEP	Pacific Digital Economy Programme
PDF	Pacific Disability Forum
PDNA	Post Disaster Needs Assessment
PFIP	Pacific Financial Inclusion Programme
PHAMA	Pacific Horticultural and Agricultural Market Access Plus
PLWD	People Living with Disability
PICAP	Pacific Insurance and Climate Adaptation Programme
PIFS	Pacific Islands Forum Secretariat
PRP	Pacific Resilience Partnership
PSIDS	Pacific Small Islands Developing States
Q	Quarter
QBE	QBE Insurance Group Limited
R&D	Research & Development
R&R	Recording & Reporting
RBF	Reserve Bank of Fiji
RBV	Reserve Bank of Vanuatu
RFA	Request for Applications
RFWG	Risk Finance Working Group
RMF	Results Management Framework
SCGC	Sugar Cane Growers Council
SCGF	Sugar Cane Growers Fund
SIDS	Small Island Developing States
SUN	Sun Insurance Company Limited
TA	Technical Assistance
TAC	Technical Advisory Committee
TDB	Tonga Development Bank
TDFCAL	Tailevu Dairy Farmers Cooperative Association Limited
TOC	Theory of Change
TOR	Terms of Reference
TOT	Training of Trainers
TOWER	Tower Insurance (Fiji) Limited
UK	United Kingdom
UN	United Nations
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNDRR	United Nations Office for Disaster Risk Reduction
UNOSSC	United Nations Office for South-South Cooperation
UNU-EHS	United Nations University Institute for Environment and Human Security
UN RC	United Nations Resident Coordinator
UNW	United Nations Women
US	United States
USAID	United States Agency for International Development
USD	United States Dollar
USP	The University of the South Pacific
UWI	University of the West Indies
VanCare	VanCare Insurance Limited

VAT	Value Added Tax
VODAFONE	Vodafone Fiji Pte Limited
VSA	Volunteer Service Abroad
WFP	World Food Programme
WGSS	Washington Group Short Set
WRMS	Weather Risk Management Services

1. Executive Summary

The two-year inception phase of the Pacific Insurance and Climate Adaptation Programme ended in December 2022. The mid-term review (MTR) was completed by an independent consultant and the final report along with the management responses has been endorsed by the Investment committee. The MTR articulated the robust results achieved by the programme (despite the Covid-19 challenges) justifying the need for scale up, replication across the region and for UNCDF to consider global expansion of the climate disaster risk insurance portfolio.

PICAPs market ecosystem development approach has been validated with solid private sector engagement, changes to their business models, collaborative partnerships with cooperatives and associations, co-creation of evidence-based solutions, digital technologies, and interfaces for last-mile delivery, capacity enhancement of partners, and financial competency and skills building at the community level. The number of individuals covered by parametric microinsurance in the three inception countries Fiji, Vanuatu and Tonga has reached 4799 with 2326 (or 47%) women beneficiaries, far above the target of 3000 set under the results framework. The significant outreach and coverage of women and persons with disabilities (609 or 12%) are testimony to the programme focus on gender and social inclusion. All these are indeed a very creditable achievement in a short span of time and for a programme in its inception phase.

Other notable achievements include the contribution of the programme to the disaster risk finance technical working group (DRFTWG) under the Pacific resilience partnership (PRP) and growing the community of practice. Partnerships with other UN agencies such as the World Food Programme, UN Women and UNDRR to test frontier concepts like climate risk insurance to social welfare recipients, linkage to anticipatory action and building women's resilience to disasters, are all expected to be amplified in the expansion phase. UN agencies are increasingly seeing the value of partnering with the programme and deploying UNCDF financing instruments, private sector engagement model and leveraging the technical expertise on climate risk insurance and digital inclusion.

While the expansion phase will continue to focus on core activities across the workstreams as outlined in the programme document, additional activities like the GESI strategy implementation, targeted research and other recommended interventions from the MTR will be integrated into the workplans. Programme management will also undertake need-based recruitment of technical and operations staff while sharing resources with other UNCDF programmes. Preparation of a detailed 'lessons learned' report covering the entire inception phase is underway and this will also inform the activities of the expansion phase. The MEAL team has also commenced the review and revision of the programme theory of change (TOC) and results measurement framework (RMF) for the 2023-2025 implementation period.

PICAP has laid a solid foundation not just for regional but also global expansion as approved by UNCDF management. The visibility and awareness of the Pacific programme created by participation in events such as the COP 27 and the global Inclusive Insurance conference has generated a demand for replicating the strategy and approach in other small island developing states (Caribbean) as well as under-developed markets in Africa and Asia. UNCDF has also renewed its membership of the Luxembourg based Micro Insurance network thereby joining a global community of practice, the work of PICAP will now get global visibility through the network.

The first few days of January 2023 saw the western division of Fiji experiencing heavy rainfall, triggering the first-ever parametric insurance claims pay-outs to more than 535 beneficiaries. FijiCare, the lead insurer has settled these claims within a week of receipt of the confirmed list of beneficiaries from the independent index monitor (WRMS) and within 14 days of the confirmed rainfall data furnished by the Fiji Met office, thereby responding to the immediate

cash liquidity needs of the affected beneficiaries and firmly validating the core hypotheses of the programme- market systems can work.

This validation has placed an additional responsibility on the programme team to look at setting new goals, capacitating partners to increase outreach numbers and addressing the development challenge of “closing the protection gap” and building the financial preparedness and resilience of Pacific islanders against impact of climate change and natural hazards.

With the annual workplan for 2023 already approved by the programme IC, demand and feasibility studies are underway in Kiribati and Timor-Leste while the same is set to commence very soon Samoa and Solomon Islands. Once these studies are completed, the programme team will hold national stakeholder workshops to decide on the implementation plans for the respective countries.

As endorsed in the last IC meeting held on 6th December 2022, the UNDP deputy resident representative for the Fiji multi-country office Ms. Yemesrach Workie has taken over as the chair of the IC as per rotational policy. The programme management and team warmly welcome Ms. Workie also places on record its appreciation to Ms. Maria Perdomo, the UNCDF regional coordinator for Asia, the outgoing chairperson for her support and contribution to the programme.

The programme technical advisory committee will also be revamped to include new members to represent the expansion countries and disciplines and replace some of the existing members who have moved on to take up new positions and are no longer available.

The programme team places on record its gratitude to the supporting donors, Investment committee members, the technical advisory committee members, all partners, the technical services providers, the managements of UNCDF, UNU-EHS and UNDP and other patrons who have reposed confidence in the initiative and we look forward to continuing to work with you during the expansion phase and onwards.

2. Programme Partners

1.1 Grant Partners

PICAP has a total of 19 grant partners that have signed either a grant or letter of agreement (LOA) with UNCDFs PICAP programme. There are 21 grant projects in total. Refer to annex 10.5 for project details.

PIC	GRANT PARTNER	PARTNER TYPE
TONGA	1. Tonga Development Bank	Aggregator
FIJI	2. Consumer Council of Fiji	Advocacy
FIJI	3. Cane Farmer's Co-operative Savings and Loans Association Limited	Aggregator
FIJI	4. Fiji Rice Pte Limited	Aggregator
FIJI	5. Tailevu Dairy Farmers Co-operative Association Limited	Aggregator
FIJI	6. Sugar Cane Growers Council	Aggregator
FIJI	7. Fiji Coconut Millers Pte Limited	Aggregator
FIJI	8. Nature's Way Cooperative Fiji Ltd	Aggregator
FIJI	9. Pacific Disability Forum	Aggregator
FIJI	10. Fiji Crop & Livestock Council	Aggregator
FIJI	11. Financial Management Counsellors Association of Fiji	Advocacy
FIJI	12. ITGalax Solutions (Fiji) Pte Limited	InsurTech
FIJI	13. Vodafone Fiji Pte Limited	MNO (mobile money)
FIJI	14. Digicel Fiji Limited	MNO (mobile money)
FIJI	15. FijiCare Insurance Limited	Primary underwriter
FIJI	16. SUN Insurance Company Limited	Co-insurer
REGIONAL	17. Tower Insurance	Primary underwriter
VANUATU	18. VanCare	Primary underwriter
FIJI	19. Reserve Bank of Fiji	Regulator

1.2 Non-Grant Partner

Other Programme Partners	Type Of Collaboration
1. MSC Consulting	Engaged to support programme partners review and improve their marketing, awareness, and outreach activities with the overall objective of improving the financial capabilities of consumers to enable informed decision-making on CDRFI instruments.
2. World Food Programme	Partnership with WFP and the Department of Social Welfare (DSW) allowed the programme to develop a macro to micro product to cover social welfare recipients, piloted last year and going into a limited scale from 2022.
3. UN Women	Partnership with UN Women allows PICAP to reach out to women market vendors that UNW/M4C have established relationships, and more recently with the Women's Resilience to Disaster (WRD) project, the programme will contribute to two important output areas.
4. United Nations Office for Disaster Risk Reduction	UNDRR provided inputs during the PICAP design and programme document development. UNDRR and UNCDF are now working on piloting a first of its kind climate disaster risk insurance linked to anticipatory action.
5. International Labour Organization	PICAP is in discussions with ILO to explore placement of ILO fellows in Tonga and Vanuatu for supporting country stakeholders with parametric insurance deployments. The proposal was approved by IC at its meeting on 5th July 2022 and will form part of the expansion phase work
6. PHAMA Plus	PHAMA Plus will introduce its partners, mainly agriculture and horticulture based MSMEs to PICAP for setting up projects to promote climate disaster risk insurance. Nature's Way cooperative is one such partner.

Other Programme Partners	Type Of Collaboration
7. Australian Pacific Climate Partnership	Ensures the integration of climate and disaster resilience into Australia's development programs in the Pacific. APCP has been providing technical inputs to the programme design and interventions.
8. The University of the South Pacific	Engaged USP for research collaboration to support evidence base improvements/variations to the insurance product design. Programme will continue to engage USP for targeted research activities in the expansion phase
9. Pacific Resilience Partnership – Risk Financing Group	Under the Pacific Resilience Partnership, UNCDF has been playing an important role in the organizing and conduct of the DRF symposium held on 3rd and 4th May 2022 as well as the DRF virtual learning series to increase awareness on disaster risk financing among stakeholders from the public and private sectors. Programme continues to be a valuable partner under the DRFTWG
10. Global Inclusive Insurance and Disaster Risk Financing Community of Practice	Through the global inclusive insurance and disaster risk financing community of practice, the Programme is now solidly positioned as an exemplary model of a 'market based' mechanism to deliver sustainable insurance solutions at the micro and meso levels by unlocking the potential of the private sector and catalyzing the ecosystem.

3. Results Dashboard

USD 2,045,979



UNCDF grant contributions

USD 2,447,518



Partner contributions to grant projects



17

Performance based grant agreements signed with private sector partners



2

Performance based grant agreements signed with public sector partners



USD 1.9 million

UNCDF technical assistance



15

Inclusive insurance and digital products and services launched



5,287

Individuals registered to the parametric insurance products (44% women)



4,799

Individuals with active parametric insurance products (47% women)



2,326

Women registered for parametric insurance products



609

PWD members registered for the parametric insurance product



2,000

Individuals registered to the Department of Social Welfare Cover



4

National policy & regulatory measures on CDRFI introduced



61

Capacity building activities facilitated by UNCDF.



451

Individuals trained by UNCDF (239 women)

98 individuals retrained



792

Financial competency development activities by partners



22,186

Individuals reached through financial competency development activities (46% women)



13

Quotes of Individuals applying the knowledge gained from UNCDF's capacity building activities



19

Partners changing their business models with PICAP support.



66

Publications & distribution pieces



224,540

Social Media Reach

Facebook: 165,000
Twitter: 34,600
Instagram: 8,770
LinkedIn: 122,000
YouTube: 4,170

3. Regional Overview

3.1 Inclusive Insurance Solutions (HUB)

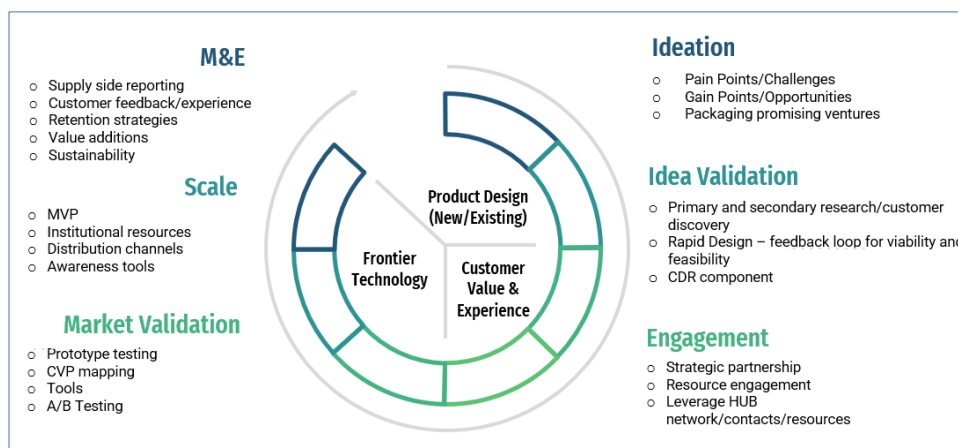
In June 2022, PICAP established an Inclusive Insurance Solutions Hub ('HUB') to support the development of inclusive insurance markets in the region and provide the supporting platform for intensive collaboration among multiple stakeholders to develop and implement innovative solutions that strengthen Pacific Islanders' resilience to climate events. The HUB will leverage UNCDF's experiences in other developing markets.

The HUB is setup to provide a structured approach in identifying, designing, and testing solutions. The HUB aims to facilitate:

- i) Collaboration, experimentation and learning among multiple stakeholders.
- ii) Support implementation of innovative insurance solutions.
- iii) Build strategic partnerships between underwriters and distributors (MNOs, cooperatives, credit unions, farmer associations and women's groups).
- iv) Support ongoing PICAP initiatives, enabling wider outreach through value additions and use cases to build resilience.
- v) Peer exchange within the region and share lessons.
- vi) The HUB uses a decision gate funnel to validate new ideas using market systems parameters (filters) and helps focus on the most promising concepts for designing and testing.

The initial scope focuses on product design, frontier technologies for instance using artificial intelligence for loss and damage assessments, and customer experience and value addition for effective CDRFI solutions and new product design. Innovative ideas and opportunities will go through a funnelling process to validate and ensure that promising ventures are selected for implementation.

Figure 1 provides a snapshot of the overall HUB process:



There are two projects currently undertaken by the HUB:

- i) Artificial Intelligence (AI) Application in Disaster Risk Insurance – In October 2022, PICAP and Tractable Inc. announced a first-of-its-kind partnership to bring the speed and cutting-edge accuracy of AI to disaster recovery in Fiji. Tractable and PICAP will collaborate with local insurance companies to develop a smartphone application for Fiji residents to upload images of property damage immediately following a climate event. The images will be assessed by Tractable's AI technology to verify damage with partner insurers to enable the quick release of funds, which policy holders can use to begin rebuilding again in just a matter of days. While parametric insurance does not always require claims verification, the AI solution will help market players, especially insurers, develop hybrid property insurance products with a quick turnaround time for

claims payments, thereby reducing costs on assessments and timely claim settlement. Not only will the solution significantly accelerate the time it takes to settle claims (which traditionally take months) but it also increases access to digital financial tools in often underserved and unserved communities. The project will be implemented over a period of 12 months and will focus on addressing critical questions surrounding the habitability of residential structures in Fiji after they're damaged by weather events.

- ii) Anticipatory Action for Climate Risk Insurance – PICAP and United Nations Disaster Risk Reduction (UNDRR) office jointly with Food and Agriculture Organisation (FAO) and local stakeholders are joining forces to launch an innovative and inclusive anticipatory climate risk insurance solution in PIC markets that can systematically link early warnings to early actions. The overall objective is to provide communities with timely access to funds to assist members better prepare before a disaster unfolds and help protect their lives and livelihoods.

In the last quarter of 2022, UNDRR in collaboration with PICAP conducted focus group (FGDs) discussions across three cooperatives in the Central, Western and Northern division. The FGDs entailed a Disaster Risk Management training, raising awareness and understanding on hazards, communities' vulnerability and identifying their existing capacities to manage different climate risks, disaster preparedness plans and how the proposed solutions can address existing gaps and improve communities' disaster preparedness.

3.2 Gender and Social Inclusion (GESI)

Throughout 2022, the programme was engaged in several GESI related interventions including the following:

- The PICAP programme's Gender Equality and Social Inclusion (GESI) Strategy was launched in May 2022 to better inform and support women to access and sign-up for parametric micro-insurance in a sustainable way, build financial preparedness and resilience of Pacific women against natural hazards and tailor solutions to the specific needs of women. The aim is to make climate and disaster risk finance and insurance products more accessible and responsive to the needs of climate-vulnerable population segments, in line with PICAP's GESI Strategy and to 'leave no-one behind in the digital era.'
- In May 2022, UNW, UNCDF and UNU-EHS held a joint workshop with various Fiji-based women's groups and associations to discuss the issue of gender-based violence resulting from women's access to finance and relevant considerations to be factored while designing projects on climate disaster risk insurance for women. The workshop discussions have also provided inputs for implementing the PICAP GESI strategy.
- Fiji Development Bank, through their Climate and Eco Finance Team in collaboration with the USAID Climate Ready Project, organised a GESI workshop in June 2022. The workshop was designed to improve staff understanding and awareness of GESI concepts and to strengthen their application to their workplace policies and action plans. PICAP was requested to participate as a panellist to speak on climate disaster and risk insurance as well as the commitments made and experiences regarding GESI programming. PICAP utilised the opportunity to share in detail the efforts and challenges to mainstream GESI principles throughout the programme cycle from the inception phase to monitoring and reporting as well as how GESI principles are mainstreamed into its operations including human resources and governance processes.

- In August 2022, UNCDF, in partnership with Munich Climate Insurance Initiative (MCII), applied for technical advisory support with the InsuResilience Centre of Excellence on Gender smart Solutions for tailor-made assistance on gender-smart approaches to Monitoring & Evaluation for Climate and Disaster Risk Finance and Insurance (CDRFI). Through this TA facility, an experienced gender consultant was assigned to strengthen the integration of gender in monitoring & evaluation activities, looking at gender-sensitive data collection, monitoring, and reporting. UNCDF will benefit from receiving TA advice and a gender perspective for its results measurement framework and consequently inform the revised frameworks and theory of change for the expansion phase of PICAP.
- The Pacific Disability Forum, in conjunction with UNCDF (led by the GESI and communications team), facilitated a session on “disability sensitization and inclusion” for UNCDF Pacific staff in November 2022 that focused on the use of the Washington Group Short Set (WGSS) questions in data collection, Preconditions for Inclusion, along with activities on disability sensitization earlier today in Suva. The sessions were interactive and, for many that attended, “eye-opening”. PDF’s strategic plan, Key Result Area 4 reiterates the pertinence of deepening partnerships for inclusion which also involves partners requesting disability sensitization for their staff.
- UNCDF Pacific and UN Women signed a partnership agreement in December 2022 for the offering the parametric microinsurance to beneficiaries under the Women’s Resilience to Disasters (WRD) and Markets for Change (M4C) projects in Fiji. The partnership aims to develop better financial preparedness for Pacific women towards climate change and natural hazards, leveraging UNCDF’s PICAP programme to result in faster post-disaster recovery, rebuilding livelihoods and improved resilience levels. The project will cover 14 communities and involve 400 Fijian women beneficiaries from November 2022 until the end of 2024, providing a 50% premium subsidy in the first year and a 25% premium subsidy in the second year. So far, 50 women have been signed up from Cane grower’s cooperatives savings and loans association limited (CCSLA) in Lautoka.
- The PICAP team conducted a gender assessment in Fiji’s Western Division in December 2022 to better understand the needs of women in accessing parametric micro-insurance products. The team spoke to women market vendors and farmers who are members of three partner cooperatives and agri-agencies. During the session, the team asked questions to the women farmers in group brainstorming sessions to understand the potential barriers, recommendations, and solutions for UNCDF/PICAP to be better informed on how to support women best to have access, awareness, and the confidence to sign-up for parametric micro-insurance in a sustainable way, pre- and post-climate disasters.

3.3 Resource Mobilization and Partnerships

2022 was an important year as PICAP was ending its inception period and beginning to set the stage for expansion to other PSIDS and beyond the Pacific. The programme management continued to engage the core funders, Australia and New Zealand and has received soft funding commitments for the expansion phase, the financing agreements to be firmed up during Q1 2023. In addition, the programme has also been in discussions with other potential donors- India-UN development partnership fund, the German government agencies (BMZ, BMU) and the V20 secretariat for support under the Global shield. PICAP is also supporting the Reserve Bank of Fiji in submitting a funding proposal under the InsuResilience Solutions fund 8th call for proposal.

3.4 Global Expansion

UNCDF commenced feasibility studies in other geographies including Africa and the Caribbean to set up the climate disaster risk insurance global programme. While the initial exploratory studies will be resourced from UNCDF core funds, the inputs will be used to develop specific country concept notes for further resource mobilization with interested donors. UNU-EHS will continue to be a technical partner in the proposed global expansion.

3.5 Financial and CDRFI Literacy

In Quarter 4, PICAP began the review of the CDRFI Financial Literacy Training manual. This review entails the contextualization of certain components of the manual to suit the Vanuatu and Tonga context. The finalization of the revised manual is expected to be completed in Quarter 1 of 2023.

4. Country Update

4.1 Fiji

The Pacific Small Islands Developing States (PSIDS) are highly vulnerable to natural hazards. However, they have limited capacity to effectively manage the risks and overcome significant economic losses after a disaster. Fijian women face deep-rooted gender inequalities due to socially constructed roles, gender norms, and traditions, among other factors. Access to resources, including land and capital, has traditionally been given to men. Women face higher risks and burdens from climate change impacts in situations of poverty, imbalance of household care duties, time poverty, unequal participation in climate-related decision-making, and lack of resources, which increase their vulnerability to climate disasters.

Due to the realities mentioned above, the challenges women face includes barriers to achieving women's economic empowerment and participation due to gender inequalities and increased vulnerability to climate change. The PICAP programme aims to ensure that climate disaster risk insurance products and services reach women and other vulnerable populations, building financial preparedness and resilience towards climate change and natural hazards.

PICAPs GESI strategy has aimed to ensure that the most vulnerable and marginalized groups are fully represented in climate and disaster risk finance and insurance (CDRFI) solutions 'leaving no one behind' in the digital era. Through its programming, monitoring, evaluation, and reporting, PICAP has consistently applied gender considerations and assessing its impact on the project and its beneficiaries. PICAP aims to strengthen Pacific women's capacities in the informal, public, and private sector in equitable climate-adaptive parametric micro-insurance to scale up innovative practices for income generation and inclusion.

PICAP mainstreams gender within its Theory of Change, adopts gender markers as well as gender sensitive indicators. The programme held consultations with InsuResilience's technical gender advisory to strengthen capacities in equitable climate-adaptive parametric micro-insurance to scale up innovative practices for income generation and inclusion of women and enhance sustainability of cooperatives and women led MSMEs.

A full-time PICAP GESI specialist was onboarded in August 2022 and will continue to drive the 'gender mainstreaming' agenda forward by working closely with all implementing partners to better tailor the programmes activities and solutions to the needs of women. Gender mainstreaming will remain a key priority as the programme moves into expansion phase.

Quarter 4 was focused on the completion of client onboarding for the upgraded parametric microinsurance products for the Fijian market – the combined wind and rainfall product with the innovation of having payouts on 2 parameters – high windspeed and/or excess rainfall

based on predefined index. By the end of December 2022, a total of 1,997 individuals were onboarded in Fiji for the product, which includes 36 percent women clients. The improved wind and rainfall combined product has been well received in the market as evidenced by the increase in the number of clients. All onboarding for the 2022/2023 cyclone season was conducted using the iOnboard platform. However, partners still faced challenges with the use of the platform which will be reviewed in Q1, 2023 during a reflection workshop organized by the Programme with partners, donors, and key stakeholders.

A significant programme impact was the pilot launch of a similar parametric type of product by a new entrant into the parametric insurance market - Tower Insurance. Tower launched its stand-alone 'heavy wind' product in early October 2022 and has been promoting the product directly in communities with encouraging responses. The product is available in 3 options – sums insured of FJ\$1,000, FJ\$2,000 and FJ\$3,000 where the premiums are based on the historic risk saturation and disaster profile of the different divisions; the premiums charged in the Central and Eastern Division are 7.5% of sum insured, and 9.5% for the Western and Northern Division. By the end of December, Tower had onboarded a total of 150 customers for their products. PICAP played a significant role in supporting Tower with the development of this new product.

The Department of Social welfare (DSW) has also been onboarding social welfare beneficiaries for the 2022/2023 cyclone season, with an overall target of onboarding 2,000 individuals, the premiums for which has been committed by the Fijian Government. DSW has also faced challenges in terms of verifying the location and mobile wallet details of members and therefore there is an opportunity to support DSW through the UNCDF sister programme PDEP to offer digital solutions to tackle the data management issues.

4.2 Tonga

On the 8th of November, Tonga became the third country in the Pacific to have access to a new and innovative micro-insurance product designed to protect them against the adverse impacts of tropical cyclones. The product was launched in Nuku'alofa by the New Zealand High Commissioner to Tonga, Mr. Matthew Howell. The Tonga Development Bank (TDB) is the aggregator partner for Tonga and the products are being offered to their customers. The product comes in two variants, offering covers of T\$1,000 and T\$2000 respectively against cyclonic winds, with premiums capped at 8% per annum of the sum insured. Like the Fiji and Vanuatu pilot, payouts will be sent directly to either the bank accounts of policy holders or their mobile wallets when a 'trigger event' – such as a particular category of cyclone – is met, with no need to verify loss and damage.

TDB staff have been well trained in the concepts of parametric insurance and related products and have been active in field awareness and promotion. Early response is very encouraging, and TDB has started using the iOnboard digital platform to register and manage customers. By the December end 2022, a total of 559 customers were onboarded. Through the inclusive insurance solutions hub, demand and feasibility studies for offering CDRFI solutions to seasonal workers and Tonga diaspora customers of TDB is planned as future interventions.

PICAP is in similar discussions with the National Reserve Bank of Tonga (NRBT) for grant support towards the revision of its national financial inclusion strategy and capacity development towards CDRFI instruments. The project document is expected to be developed in Q1, 2023 and will be a joint PICAP/PDEP grant support project.

4.3 Vanuatu

In Q4, Vanuatu became the second country in the Pacific to have access to a climate disaster risk parametric micro-insurance instrument. The Vanuatu pilot was launched October 17, 2022, in Port Vila by the New Zealand High Commissioner to Vanuatu, Her Excellency, Nicola Simmonds together with the Deputy Governor of the Reserve Bank of Vanuatu (RBV), Mr. Noel Vari. The product, a standalone cyclonic wind product, is available in two price ranges: one offering a maximum coverage of 50,000VT (\$US400) and the other of 100,000VT (US\$800) at a premium of 10% per annum for both. To further enhance the speed and efficiency with which

payments will be processed, the funds will be sent directly to the mobile money wallets of policy holders, or to their bank accounts via internet banking.

In Vanuatu, the insurer VanCare has adopted a direct distribution model and is promoting the product through its staff and marketing team. The present pilot, with a minimum target of 100 product sign ups, is restricted to limited areas in the country given the start of the current cyclone season and the need for developing partnerships. VanCare has started engaging potential distributors like cooperatives and associations such as the Mamas Groups and large financial institutions including the Vanuatu National Provident Fund. How these discussions progress will be known only next year; for now, the pilot deployment is expected to provide insights into shaping future interventions.

Furthermore, to assist the RBV with building its technical capacity towards CDRFI instruments and awareness, PICAP is in discussions with the Bank regarding grant support for a project that will assist the Central Bank to develop its capacity, support financial and insurance literacy outreach within the communities as well as guide the development of their new Financial Inclusion Strategy. This support will be jointly implemented with PICAP's sister programme, PDEP.

5. Other Programme Engagements

5.1 Asia Pacific Ministerial Conference for Disaster Risk Reduction

The four-day program was hosted by the Australian Government and convened by the UN agency for Disaster Risk Reduction. The main objective was to increase cooperation around the implementation of the globally endorsed Sendai Framework for Disaster Risk Reduction 2015-2030, a 15-year road map for reducing disaster risk and losses. The high-level conference was attended by around 3,000 delegates in-person and virtually from around 40 countries mainly from the Asia-Pacific Region. Participants include ministers, government officials, representatives of the private sector, not-for-profits, civil society, and vulnerable groups who are actively involved in this space.

PICAP supported the UNDRR in selecting panelists for the overall programme and sponsored participants from the Ministry of Finance, Tonga. PICAP staff represented at the event included Mr. Krishnan Narasimhan, Lead Specialist (Insurance and Climate Adaptation) and Programme Manager, Ms. Akata Taito, Inclusive Insurance Solutions Hub Coordinator, and Mr. Sheldon Channel, Communication Specialist. Ms. Taito was a panelist on the session on Enabling Resilient and Accelerated Recovery. The panel included representatives from the National Emergency Management Office of Tonga and Bicol University Graduate School, Philippines. The panel unpacked elements of strong disaster risk reduction and management strategies that enabled quick, equitable and resilient recovery based on their respective experience. There was consensus on the need for urgent, innovative solutions and strategies to stave off the extreme impacts of climate events in the region. The session provided an opportune platform to talk about the UNCDF PICAP's catalytic role in the Pacific to develop a tangible solution called the parametric microinsurance product that enables resilient and accelerated recovery particularly to vulnerable groups.

Additionally, UNCDF-PICAP contributed to the Partner Event: Changing the way we manage disasters – unpacking the potential of anticipatory action in Pacific Island Countries. A video was developed and presented during the session to highlight Anticipatory Actions in the Pacific.

The overall Conference provided a platform to raise visibility on PICAP's activities in the Pacific which was well received and resulted in numerous requests from participants to understand the overall product design and partnership ecosystem. It was also a learning opportunity, enhancing knowledge in DRR and understanding various activities undertaken by other players outside of the Pacific region.

5.2 International Conference for Inclusive Insurance - Jamaica

The International Conference on inclusive insurance 2022 (ICII 2022) hosted by the Munich Re Foundation (MRF), the Insurance Association of Jamaica (IAJ) and the Microinsurance Network (MIN) took place in Kingston, Jamaica in from 24 to 28 October 2022, with around 250 participants from over 50 countries discussing how to make insurance more inclusive. The PICAP team from UNCDF and UNU-EHS also attended the ICII 2022. Team members contributed to and led different sessions at the conference.

Together with the Access to Insurance Initiative (A2ii), and Risk Shield Consultants, UNCDF organized a workshop on the 'Index Insurance best practices for insurance regulators and practitioners in the Pacific Island countries' publication. Through breakout session discussions, insurers, regulators, private sector, and multilateral organization participants explored ways in which inclusive index insurance practices can be replicated globally by all insurance stakeholders.

Apart from conducting the pre-conference workshop, PICAP team members participated in the following sessions as speakers and presented results and achievements that have been reached during the inception phase of the Programme:

- 25 October 2022 - Digital tools to reach the customer - The power of word-of-mouth: Innovative consumer education approaches in small island states
- 27 October 2022 - Moving forward stronger and equal: Mechanisms, tools, and strategies to help Small Island Developing States (SIDS) pivot from vulnerability to resilience.

The Programme also held several side meetings with some of the participants that could lead to potential partnerships and longer-term engagements.

5.3 COP 27

This UN climate conference, COP27, took place in Sham el-Sheikh, from 6 to 18 November 2022. PICAP team members from UNCDF and UNU-EHS actively participated in the conference by attending various discussions about some of the key thematic concerns of last year's COP and also organized and hosted several side events:

- 8 November 2022 - Side Event at the Moana Blue Pacific Pavilion: Disaster Risk Financing & Insurance in the Pacific: Complementing approaches to maximize protection.
- 9 November 2022 - Side Event at V20/ Climate Vulnerable Forum (CVF) Pavilion: Financial Protection of Micro, Small and Medium-Sized Enterprises against Climate Risks – Innovative Solutions for Climate Vulnerable Economies.
- 16 November 2022 - Side Event at the Moana Blue Pacific Pavilion: Climate risk exposure and the need for disaster risk financing among households and SMEs: New evidence from Fiji. During this side event, a [new evidence note](#) was launched showcasing the main results from a dedicated survey with MSMEs in 2022.
- 17 November 2022 - Official UN Side Event: Financing innovative approaches to protect against losses & damages in vulnerable countries ([Video](#)).

Attending COP 27 was a great opportunity for the PICAP team to hold side meetings with potential partners and a way to increase the visibility of the programme among different stakeholders from all over the world.

5.4 Polynesia Sub-regional Private Sector Climate Finance Workshop

UNCDF PICAP was invited by the Pacific Islands Forum Secretariat to present and participate during the 2022 Polynesia Sub-regional Private Sector Climate Finance Workshop that was held

in Samoa between September 27 – 29. The theme of the workshop was on “Building Resilience Through Strengthening Private Sector Engagement in Climate Change Finance and Public-Private Partnership” with the objective of assisting businesses and governments of the five Polynesian countries (Cook Islands, Niue, Samoa, Tonga, Tuvalu) in increasing their awareness of and access to, climate change financing and options for public-private partnership and investment. UNCDF PICAP, through the RTS, took this opportunity to present an overview of the Programme, its implementation activities and lessons learnt so far to the 50+ regional participants, as well as discuss potential opportunities and practical options that the private sector can leverage through their participation in climate finance for a more resilient investment in the future. There was keen interest from regional partners to work with UNCDF which will be pursued during the PICAPs regional expansion into newer markets.

6. Monitoring, Reporting, Research and Evaluation

6.1 Recording and Reporting Orientations

By the end of 2022, a total of 19 R&R orientations were provided to grant partners. The orientations highlight reporting expectations in terms of timeliness, completeness and accuracy and emphasize the need for supporting documentations to substantiate all reported results for workplan activities as well as indicator reporting.

PIC	GRANT PARTNER	PARTNER TYPE
FIJI	1. Consumer Council of Fiji	Advocacy
FIJI	2. Financial Management Counsellors Association of Fiji	Advocacy
FIJI	3. Cane Farmer's Co-operative Savings and Loans Association Limited	Aggregator
FIJI	4. Fiji Rice Pte Limited	Aggregator
FIJI	5. Tailevu Dairy Farmers Co-operative Association Limited	Aggregator
FIJI	6. Sugar Cane Growers Council	Aggregator
FIJI	7. Fiji Coconut Millers Pte Limited	Aggregator
FIJI	8. Nature's Way Cooperative Fiji Ltd	Aggregator
FIJI	9. Pacific Disability Forum	Aggregator
FIJI	10. Fiji Crop & Livestock Council	Aggregator
TONGA	11. Tonga Development Bank	Aggregator
FIJI	12. ITGalax Solutions (Fiji) Pte Limited	InsurTech
FIJI	13. Vodafone Fiji Pte Limited	MNO
FIJI	14. Digicel Fiji Limited	MNO
FIJI	15. FijiCare Insurance Limited	Insurance Provider
FIJI	16. SUN Insurance Company Limited	Insurance Provider
REGIONAL	17. Tower Insurance	Insurance Provider
VANUATU	18. VanCare	Insurance Provider
FIJI	19. Reserve Bank of Fiji	Regulator

6.2 Partner Reporting Q4 Updates

The programme expected a total of 19 partners to report Q4 data by mid-January 2023. 15 partners submitted complete reports by the January 20th reporting deadline. The remaining 4 partners submitted reports within a week of the reporting deadline.

6.3 Data Quality Assessments and Challenges

As part of its data quality assurance processes, the programme requests programmatic supporting documents / evidence to be submitted to validate activity completion and achievement of KPIs. Partner data not substantiated with evidence is not included in programme aggregate results reported. The programme also conducts remote spot checks through phone calls to community beneficiaries to confirm literacy activities facilitated by partners.

Data challenges observed in 2022 include:

- Delayed verification and uploading of client data to the iOnboard platform and therefore slight discrepancies between data reported by FijiCare using iOnboard as the data source and data reported by partners on a quarterly basis. The speed of verifying client data and uploading to the iOnboard platform can be further enhanced.
- Few double entries for 'registered and active' clients to the platform due to reasons relating to:
 - i. Lack of proper ID: clients using IDs and even phone numbers of family members with proper Identification documents to sign up for the product and therefore one client can be recorded more than once.
 - ii. Clients signing up for more than one product under different cooperatives and at times, the same cooperative.
 - iii. Double entry mistakes: Few double entry mistakes in the aggregator data sheets.

6.4 DRF Research with fishers and farmers in Vanua Levu

The Pacific Insurance and Climate Adaptation Programme's (PICAP) team, together with the University of the South Pacific (USP) conducted qualitative research in Q2 in 2022 in Fiji as part of the Climate Risk Insurance Research Cooperation (CRIRC), where research partners from the University of the South Pacific (USP), the University of the West Indies (UWI), UNU-EHS collaborate on a research focusing on vulnerability, Disaster Risk Management, and Climate and Disaster Risk Financing (CDRF) solutions for Small Island Developing States.

As a first step, CDRFI Field Beneficiary Survey has been conducted to capture how farmers of different commodities were affected by cyclones, as well as their coping strategies and needs for financial instruments. With the survey, the team was also able to collect feedback on the existing products and inform product refinements for the 2022-2023 cyclone season. As a follow-up of the initial step, PICAP and USP researchers conducted qualitative research facilitated through focus group discussions giving the researchers and project team numerous insights into the constraints many Fijians face after a natural hazard strikes. The research more importantly helped identify how the PICAP project can further support farmers. For example, one of the limits of the first parametric product in Fiji was that it was only sold through cooperatives. Speaking with the farmers evidenced the need for a product that could be sold individually to farmers, as there were many members of the communities who were interested in the insurance products but were not members of local cooperatives. It also highlighted the need for an insurance product that could be sold digitally, and that can be accessible to beneficiaries through their mobile phones and mobile wallets. Ultimately, this research reconfirmed the need for climate and disaster risk financing instruments, such as parametric insurance, to help provide families with financial liquidity after extreme weather events. Going forward, based on the collected data in Fiji, different related thematic publications such as an evidence note, and factsheets are being prepared to be published throughout 2023.

6.5 The need for DRF amongst MSMEs in Fiji

Another significant research engagement in 2022 was with MSMEs in Fiji, which was conducted between April and June 2022. The PICAP research team interviewed business owners of 466 MSMEs in urban and rural areas in Fiji. Findings from the survey published through a dedicated evidence note "[MSMEs in Focus: Insights on how MSMEs in Fiji are affected by extreme weather events and their readiness for disaster risk financing](#)" which was also launched at COP 27 during one of the side events hosted by the PICAP team at Moana Blue Pacific Pavilion.

6.6 Scoping a rigorous evaluation of the shock-responsive social protection work in Fiji

The PICAP team, together with researchers from University of Sydney as well as USP further received additional JPAL funding to conduct a workshop aimed at exploring the feasibility and interest to conduct a rigorous evaluation of the shock-responsive social protection work that is piloted in collaboration with the Ministry of Women, Children & Poverty Alleviation (MWCPA) and WFP and that is testing an innovative solution on how to provide social welfare beneficiaries access to climate risk insurance. The workshop was successfully conducted in

Suva on 29 November 2022 with participants from the Fiji government, relevant development agencies academia. During the workshop and side meetings, an interest for an evaluation was expressed by all stakeholders.

News articles published on UNU-EHS website:

1. [5 Facts on gender equality and access to disaster risk finance in Fiji](#)
2. [UNCDF, UNU firm up partnership for enhanced development cooperation in the Pacific and beyond](#)
3. [Using research to create sustainable insurance solutions for farmers in Fiji](#)

ICII related links

- ICII Jamaica 2022 – session videos and recordings:
https://www.munichre-foundation.org/en/Inclusive_insurance/International_Conference_on_Inclusive_Insurance/ICII2022/Videos.html

COP27 related links

- Moana Blue Pacific Pavilion Side event recordings:
https://drive.google.com/drive/folders/1I7vxYLlmsLyBXHtv6IPT4I_jrOvxXeo
 - See Nov 8th
 - See Nov 16th
- https://www.youtube.com/watch?v=jgZsXjc3Jyl&ab_channel=UNClimateChange-Events

MSME Evidence Note

- <https://www.uncdf.org/article/8002/msmes-in-focus-insights-on-how-msmes-in-fiji-are-affected-by-extreme-weather-events-and-their-readiness-for-disaster-risk-financing>

6.7 Mid Term Review

The PICAP mid-term review officially started in Q3 2023 with the recruitment of an independent consultant. The review was designed to assess PICAPs progress towards project objectives and results in the inception phase through an objective assessment of the Programme; assist UNCDF and key partners understand the relevance, efficiency, effectiveness, likely impact, and sustainability of the Programme; identify key challenges and any factors that may have affected implementation; as well as identify key lessons learned and other emerging opportunities for future programming.

As part of the study, 46 key informant interviews were conducted with 32 institutional stakeholders. Field visits were undertaken to four locations across Fiji to interact with the aggregator partners and their clients/non-clients. About 40% of the stakeholder representatives were women. In addition, Focus Group Discussions (FGDs) and individual interviews were conducted with 16 end-users/non-users of which 6 were women.

The MTR report with management responses to the recommendations was finalized in November and communicated to the Investment Committee and donor representatives in December 2022. The report will inform expansion plans and programme strategies for 2023 and beyond.

7. Communications

2022 was yet another packed and busy one for the Programme's two-member communications team, picking up from an eventful 2021. The Programme produced 5 publications, 7 press releases, 16 impact stories, 3 blogs and 5 videos. Producing such content internally is a critical part of the Programme's communications and visibility strategy. Key audiences and the mainstream media rely on the comms team to package technical finance and insurance-related information in an interesting, simple, and digestible format. The success of this approach can be seen in the extensive media coverage the Programme receives in

the national, regional, and international press. This is also underpinned by the strategic ties PICAP has developed with editors and journalists in the region through regular and ongoing engagement in the form of briefings, events, interviews, and formal and informal gatherings.

The press helps the Programme reach its key audiences, including donors, partner governments, the private sector, and the public. It has become challenging to comprehensively track the number of times the Programme's work has featured in the media due to the sheer volume but some of the major hits can be found in the annexure. Expansion into Vanuatu and Tonga late in the year allowed the team to expand media relationships in these countries.

7.1 Social Media

The Programme has carved out a strong following on UNCDF's various social media channels, including Facebook (165k followers), Instagram (8.77k followers), LinkedIn (122k followers), Twitter (34.6k followers) and Youtube (4.17k subscribers). The average PICAP-related post on LinkedIn garners 3,000-5,000 impressions. These are further enhanced with the use of tools such as 'hashtags' and tagging to engage with specific as well as wider audiences. Strong emphasis is placed on creating content that is inspiring, relatable, and easy to digest. The Programme's list of followers includes donors, academics, journalists, business executives, development practitioners and the general public. Social media will continue to be a tool for ongoing strategic engagement and knowledge-sharing with audiences around the world.

- [Graphic on 2021 Annual Results](#)
- [UNCDF-PHAMA Plus Partnership](#)
- [UNCDF-USP Partnership](#)
- [Australia Government Acknowledgement](#)
- [New Zealand Government Acknowledgement](#)
- [Video: What is Parametric Insurance?](#)
- [International Women's Day Campaign](#)
- [Pre-agreed disaster risk finance: the agenda women's advocates should be influencing](#)
- [2022 Insurance Development Forum Global Summit](#)
- [2022 Disaster Risk Financing Symposium](#)
- [International Insurance Awareness Day, Video, Tweet](#)
- [Meeting with the New Zealand National Institute of Water and Atmospheric Research \(NIWA\), Tweet](#)
- [Meeting with USP's Dr Giulio Pa'unga](#)
- [2022 Pacific Update, Post 2](#)
- [Launch of Parametric Insurance in Vanuatu](#)
- [Launch of Parametric Insurance in Tonga](#)
- [Inclusive Insurance Conference](#)
- [Understanding the needs of women in accessing parametric micro-insurance products](#)

7.2 Events

The year was also notable for the number of events the programme participated in and hosted. More than 80 people attended the launch of the Gender Equality and Social Inclusion Strategy in Suva in March, including the diplomatic heads of the Australian and New Zealand High Commissions. In August, the Programme launched two new products for the Fijian market, an event attended by more than 100 people. The then Fijian Attorney-General, Aiyaz Sayed-Khaiyum, was the chief guest and the heads of the Australian and New Zealand missions in Fiji were also in attendance.

As New Zealand and Australia are major donors, events serve as opportunities to directly update heads of missions about the Programme's work. A similar approach was taken for the launch of the Programme in Vanuatu (October) and Tonga (December) where the Australian

and New Zealand High Commissioners were invited and provided with updates on the programme's expansion plans. In this way, events serve multiple purposes: besides strengthening visibility and public outreach, it allows the team to improve ties with various important stakeholders. It also creates opportunities to partner with the comms teams of donor countries and sister UN agencies for enhanced visibility. PICAP's work has been featured on the social media channels and websites of MFAT, DFAT, Indian High Commission in Fiji, the UN Office for South-South Cooperation, UNDP, World Food Programme, and the UN Office for Disaster Risk Reduction.

The Programme also participated in several local, regional, and international events as panelists, keynote speakers and moderators. The most prominent among them include Road to COP27: Pacific Dialogue with UK COP26 Presidency (March), the Pacific Regional Symposium on Disaster Risk Financing hosted by the Pacific Islands Forum (May), the Australian National University's Pacific Update (June), the Asia-Pacific Ministerial Conference on Disaster Risk Reduction in Australia (September), International Conference on Inclusive Insurance in Jamaica (October), Pacific Climate Justice Summit and COP27 (November). The Programme has quickly become an authority on climate and disaster risk finance and insurance in the Pacific. The invitations from the range of organizations indicate that PICAP's views and expertise are sought after in the Pacific, and that the Programme is an important stakeholder in the region's budding insurance sectors.

- [Recording of Panel Discussion: Gender Equality and Social Inclusion for Equal Access to Climate and Disaster Risk Finance in the Pacific](#)
- Empowering the vulnerable: Experts call for equitable access to climate and disaster risk insurance
[Published by UNDP](#)
[Published by ReliefWeb](#)
- [Launch of the Index Insurance Best Practices for Insurance Regulators and Practitioners](#)
- [Sugarcane farmer, Salaseini Koroi at the Parametric Micro-Insurance launch | 25/08/2022](#) – Published by Fiji Village
- [Dairy farmer from Tailevu, Rusiate Korovusere at the Parametric Micro-Insurance launch | 25/08/2022](#) – Published by Fiji Village
- [Sayed-Khaiyum addresses participants at the launch of the Parametric Micro-insurance. | 25/08/2022](#) – Published by Fiji Village
- [Digital Solutions for Inclusive Climate Disaster Risk Insurance](#) – Featured in Centre for Financial Inclusion's Financial Inclusion Week
- [New insurance promises quick payouts after Pacific cyclones](#) – Published by RadioNZ
- [Capital Musings Podcast: S04.02 The benefits of parametric insurance in the face of climate-related disasters](#) – Interview with Krishnan Narasimhan

7.3 Press Releases

- ["A synergetic partnership:" UNCDF, PHAMA Plus join forces to promote parametric insurance in the Pacific](#)
- ["Start of a mutually beneficial partnership": UNCDF, USP, UNU-EHS, UWI Launch Joint Research Project on Climate and Disaster Risk Insurance](#)
- [Social Welfare Beneficiaries from High Climate Risk Areas Issued With Climate Risk Insurance Certificates](#)
- [UNCDF launches first Parametric Micro-Insurance Product for Climate Vulnerable Communities in Vanuatu](#)
- [Tonga's first Parametric Micro-Insurance Product Launched to Cushion Impact of Tropical Cyclones](#)
- [Pacific spotlight on regional Disaster Risk Financing](#) – Published by the Pacific Islands Forum
- [Tractable and United Nations team up to bring the power of artificial intelligence to natural disaster recovery in Fiji](#)

7.4 News Articles

- [Climate risk insurance to benefit 10](#) – Published by the Fiji Times
- [USP conducts research on climate and disaster risk finance insurance](#) – Published by the Fiji Times
- [New PICA program launched](#) – Published by FBC News
- [More adults own bank accounts](#) – Published by the Fiji Times
- [Program shows impressive results](#) – Published by the Fiji Times
- [Report recommends natural hazard cover](#) – Published by the Fiji Times
- [Product beneficiaries](#) – Published by the Fiji Times
- [Farmers can afford \\$100 per year](#) – Published by the Fiji Times
- [Parametric insurance – Freeing farmers from risk](#) – Published by the Fiji Times
- [Pacific Regional Cash Working Group \(PRCWG\): Weekly update \(Week 4 —August 2022\): New Parametric Microinsurance Products Launched to Cushion Impact of Climate Change in Fiji](#) – Published by ReliefWeb
- [Affordable insurance for climate vulnerability](#) – Published by FBC News
- [UNCDF announces new parametric climate products for Fiji](#) – Published by Reinsurance News
- [Parametric micro-insurance cover launched](#) – Published by FBC News
- [Findings on risk financing products](#) – Published by the Fiji Times
- [Beneficiaries share experiences with UN Resident Coordinator through talanoa session](#) – Published by United Nations Fiji, Solomon Islands, Tonga, Tuvalu and Vanuatu
- [Lessons from program: Conference provides a platform to share innovative solutions](#) – Published by the Fiji Times
- [Enabling resilient and accelerated recovery](#) – Published by the FijiTimes
- [FCLC to promote Parametric Microinsurance cover](#) – Published by the Fiji Times
- [FCLC to promote insurance cover for farmers](#) – Published by FBC News
- [First Parametric Micro-Insurance Product for Climate Vulnerable Communities – Published by Vanuatu Daily Post](#)
- [Insurer launches cyclone relief cover](#) – Published by the Fiji Times
- [Tower pilots cyclone response product in Fiji](#) – Published by Insurance Business
- [UNCDF launches first Parametric Micro-Insurance Product for Climate Vulnerable Communities in Vanuatu](#) – Published by Pasiifika EnviroNews

7.5 Blogs/Impact Stories

- [“We Should Not Depend on Men”: Fiji Sugarcane Farmer Urges Women to take up Climate Insurance](#)
- [Gender Equality and Social Inclusion Vital to our work in the Pacific](#)
- [Parametric Insurance Boosts Farmer Confidence for Quicker Cyclone Recovery](#)
- [7 things you need to know about climate risk insurance \(joint blog with UNU-EHS\)](#)
- [New Parametric Microinsurance Products Launched to Cushion Impact of Climate Change in Fiji](#)
- [UNCDF Partners with Fiji's Consumer Watchdog to Raise Awareness on Disaster Risk Insurance](#)
- [Parametric Product Boosts Confidence in Insurance in Fiji](#)
- [Insurance for all in the Pacific](#) – Published by DevPolicy
- [Enabling resilient and accelerated recovery](#)
- [Parametric Insurance - A long held hope for copra farmers in Fiji](#)
- [Masitabua: Transparency, Literacy Key to Success of Index Insurance in the Pacific](#)
- [Parametric Insurance Meets A Critical Demand in the Fiji Market](#)
- [Parametric Microinsurance Provides an Ideal Safety Net for Copra Farmer](#)
- [Timely Risk Cover for Sugar Cane Farmers in Fiji](#)
- [How needs-based climate insurance can help communities in the Pacific](#)
- [Tonga Delegation Raises Climate Finance Concerns at Brisbane Conference](#)
- [Dairy cooperative welcomes parametric microinsurance product for their farmers](#)

- [Parametric Insurance - A long held hope for copra farmers in Fiji](#)
- [Technology does not discriminate](#)

7.6 Publications

- [Pacific Insurance and Climate Adaptation Programme: Gender Equality and Social Inclusion Strategy](#)
- [Index insurance best practices for insurance regulators and practitioners in the Pacific Island countries](#)
- Feature in: [Good Practices in South-South and Triangular Cooperation for Sustainable Development – Vol. 4 \(2022\)](#)
- [A Beneficiary Perspective: Strengths, Challenges and Opportunities for Parametric Insurance in Fiji](#)
- [MSMEs in Focus: Insights on how MSMEs in Fiji are affected by extreme weather events and their readiness for disaster risk financing](#)

8. Risk Log

Key: L- Low | M-Medium | H-High

No	Risk Identified and description	Probability or Likelihood	Impact	Mitigation
1	Global pandemics, wars, conflicts with economic impacts	M	H	There are no Covid-19 related restrictions, both local and global. However, the programme will continue to monitor the situation, follow Government guidelines, UN advisories. The ongoing war Russia-Ukraine war is affecting global supply chains, putting inflationary pressures across continents and this may affect funding support from some donor. Management will continue to engage donors and stakeholders in addressing these issues
2	Other parametric insurance or CDRFI initiatives	M	M	In the last year, several agencies have announced plans of commencing parametric insurance initiatives in the Pacific, these are potentially conflicting with PICAP. Proactively it is planned to engage with these agencies to develop collaborative approaches and complementarities. As a member of the DRFTWG under PRP, PICAP will continue to engage all stakeholders in this space and position itself strategically
3	Implementation Support from Pacific governments is delayed	L	L	Through direct engagement with Pacific governments as well as through FEMM, PICAP has received good support country stakeholders and will continue to build relationships as implementation progresses
4	Limited technical knowledge and capacity of regulators/governments on parametric insurance and other CDRFI tools	M	L	Several capacity enhancement workshops have been completed for government, regulators, and other stakeholders and this will be ongoing during the expansion phase as well
5	Limited private sector support or buy-in for implementation partnerships	L	L	There is excellent support and participation from the private sector-insurers and reinsurers besides FinTech/InsurTech partners as well as cooperatives and aggregators
6	Low levels of insurance awareness	H	M	Programme has identified this as a priority area for intervention and ongoing support will be provided to partners for continuing awareness and literacy campaigns. PICAP will also work with PDEP in rolling out financial and digital literacy training and awareness for partners. It should be recognized that insurance awareness and financial competency development will be an ongoing activity
7	Poor market response to parametric insurance and other CDRFI instruments	M	M	Globally parametric insurance has either been government or donor driven or supported. Developing/deploying market-based solutions is bound to be challenging, however, it is proposed to address this challenge through a combination of community engagement, co-creation of solutions for acceptance and sustainability, regular awareness campaigns, innovative financing options, use of digital linkages for cost efficiency as well as concentration on meso level players for market outreach. Initial responses in 2021 and 2022 is encouraging with over 4000 households already covered showing good market response

No	Risk Identified and description	Probability or Likelihood	Impact	Mitigation
8	Sustainability of market interventions and projects	H	M	Based on the findings and observers from the mid-term review, a sustainability and exit plan will be developed by the programme to look at phased transfer of capacities to national/ regional stakeholders during the expansion phase from 2023 to 2025. Given the limited local capacities, it will be some time before national or regional ownership of the programme can be fully ensured
9	Technical capacity and implementation experience of the Programme team	L	L	Team technical capacity has vastly improved with exposure to appropriate training. Need based recruitment has been carried out and will be continued as the programme enters the expansion phase. Services of technical experts have also been enlisted through contractual services
10	Donor/funder support to the programme for the expansion phase	L	M	Programme has delivered excellent results during the inception phase, reaching targets on all counts. Present major donors Australia/New Zealand have confirmed their support for the expansion phase. Programme management is also engaging with other funders to expand the pool and seek further support as expansion is underway.

9. Financials

9.1 Programme Funding

The inception phase of the Programme commenced with an estimated financial budget of US\$7.5 million with around USD 7.11 million of donor funding mobilized.

Donor	USD
MFAT	4,000,000.00
DFAT	1,540,701.00
India-UN Development Partnership Fund (UNOSSC)	850,000.00
UNDP	200,000.00
UNCDF	100,000.00
Fiji Govt	333,181.77
SIDA	87,000.00
Total	7,110,888.77

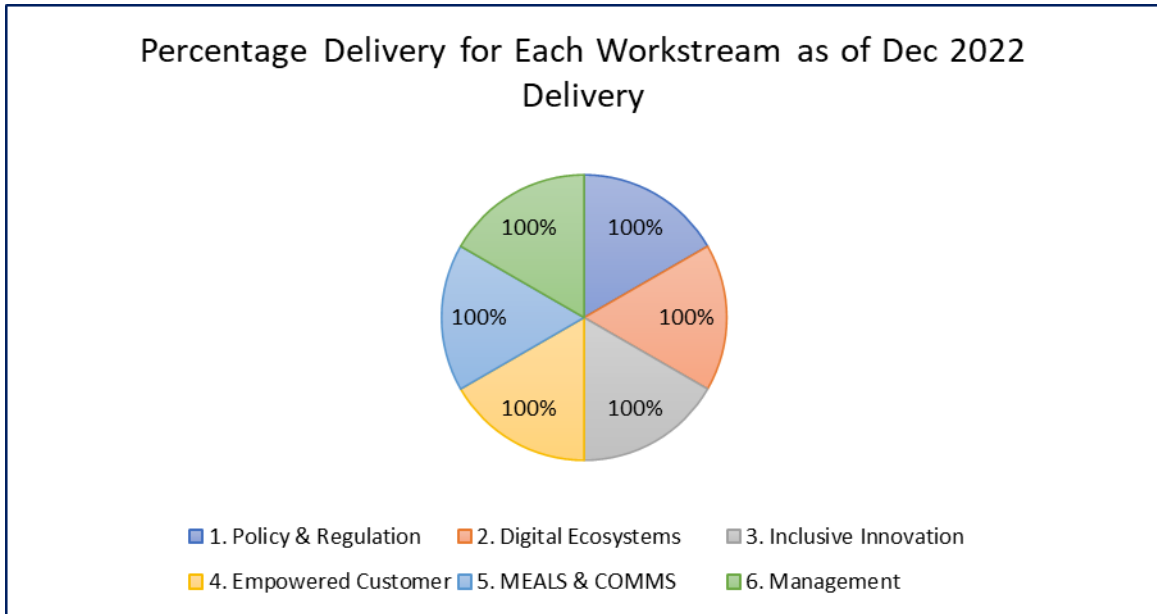
The expansion phase of the programme will require an additional US\$12.5 million in total for three years (2023-2025) and will cover the implementation in seven countries- Samoa, Solomon Islands, Kiribati, and Timor-Leste (or one country in the Northern Pacific) in addition to the existing three-Fiji, Tonga and Vanuatu. For PNG, while initial feasibility studies and country programme design will be completed, specific resources will be required to undertake activities and implementation.

9.2 Delivery Against Workplan

The 2022 financial budget as per the approved annual workplan is around US 3.4 million. Financial delivery for 2022 has been 100%. The total financial expenditure for the entire inception phase was around US\$6 million leaving a balance of around US\$1.2 million to support the programme activities for the first few months of 2023.

Workstream	2022 Budget A	Commitment B	Expenditure C	Total Expenditure D = (B+C)	Budget Balance E = (A-D)	% Delivery F = D/A
1. Policy & Regulation	440,753.34	112,515.00	328,238.34	440,753.34	-	100%
2. Digital Ecosystems	517,242.79	27,000.00	490,242.79	517,242.79	-	100%
3. Inclusive Innovation	866,367.92	385,463.85	480,904.07	866,367.92	-	100%
4. Empowered Customer	798,176.98	313,086.50	485,090.48	798,176.98	-	100%
5. MEALS & COMMS	342,605.90	-	342,605.90	342,605.90	-	100%

6. Management	461,179.29		461,179.29	461,179.29	-	100%
Total	3,426,326.22	838,065.35	2,588,260.87	3,426,326.22	0.00	100%



10. Annexures

Achievement Rate	
	100% and over
	Between 75% and 99%
	Between 50% and 74%
	Less than 50%

10.1 Annexure 1: Results Measurement Framework

Ind No.	ToC level	Indicator - Quantitative	Target (2021-2022)	Cumulative Results as of December 2022	Achievement Rate (%) ¹	Comments
1	Activity	Number of stakeholders supported by PICAP	20	19	95%	Refer to annex 10.5 for details.
2	Activity	Number of people taking part in capacity building activities	250	451	120%	239 (53%) were women.
3	Activity	Number of capacity building activities	50	61	120%	UNCDF facilitated activities. Q4 Specific Workshops: 8.
4	Activity	Value of PICAP investments (USD)	\$2,500,000	\$4,040,065.5	120%	Refer to annex 10.5 for grant details breakdown. Grant: USD 2,045,979 Technical Assistance ² : USD 1,974,087.
5	Output	Value of partner investments due to PICAP's support (USD)	\$2,500,000	\$2,447,518	98%	Refer to annex 10.5 for breakdown.
6	Output	Number of participants indicating that they have applied the knowledge gained in the PICAP delivered capacity building activity 6-12 months following date of the activity.	13	13	100%	2021 – 5 Impact quotes. 2022 – 8 Impact quotes.
7	Output	Number of partners showing increased commitment in improving their business models ³	5	19	120%	All Programme partners involved with PICAP are showing commitments to improve their business models as all CDRFI product/services are new in itself.
8	Output	Number of products and services piloted with UNCDF support	5	15	120%	Fiji <u>4 New CDRFI Products Piloted:</u> High windspeed cover, cyclonic storm cover, social protection cover, cyclonic response cover. <u>2 Improved CDRFI Products Piloted:</u> Combined wind and rainfall cover, improved social protection cover.

¹ Achievement rate capped at 120% to avoid skewing of average. The achievement rate is calculated as the total cumulative results from 2021 to Q1 2022 against the 2-year inception phase targets.

² Technical Assistance: Includes TA support by programme staff.

³ Business models describes the rationale of how an organization creates, delivers, and captures value, in economic, social, cultural, or other contexts. A business model is made up for many components include customer value proposition, channels, customer relationships, revenue streams, key resources, key partnerships, key activities, and cost structure with reference to how it designs products, distributes, and provides services. It also refers to its target market (beneficiaries, geographies, and economic sectors).

Ind No.	ToC level	Indicator - Quantitative	Target (2021-2022)	Cumulative Results as of December 2022	Achievement Rate (%) ¹	Comments
						<p>6 Digital Products/Services Piloted: iOnboard Platform, iOnboard app, digital payments through MPAiSA, digital claims through MPAiSA, digital payments through MyCash, digital claims through MyCash.</p> <p>Tonga 1 New CDRFI Product Piloted: High windspeed cover (tailored). 1 Digital product piloted: iOnboard platform (tailored).</p> <p>Vanuatu 1 New CDRFI Product Piloted: High windspeed cover (tailored).</p>
9	Stakeholder Outcome	Number of national or regional strategies and policy measures introduced or implemented on CDRFI	2	4	120%	<p>VAT exemption policy + RBF regulatory sandbox + The CDRFI Regulatory Practice Guidelines for Regional Regulators by a2ii + Fiji's National Financial Inclusion Strategy.</p> <p>The DRF Strategy report has been submitted to and acknowledged by the Fiji Ministry of Economy however finalization of policy framework is pending.</p>
10	Stakeholder Outcome	Number of new or improved CDRFI business models scaled by PICAP-supported partner	2	2	100%	Parametric microinsurance products officially launched in Tonga and Vanuatu in Q4.
11	Stakeholder Outcome	Number of partners that have changed their organisational practices ⁴ with PICAP support	10	19	120%	<p>Refers to improvement in capacity to deliver financial and digital literacy initiatives.</p> <p>Financial and CDRFI Literacy: 2 Advocacy partners, 9 Aggregators, 4 Insurers. Digital and E-Payments Literacy: 1 FinTech + 2 MNOs + 1 Regulators.</p>
12	Client Outcomes	Number of registered clients of new or improved CDRFI products and services supported by PICAP (access)	3,000	5,287*	120%	<p>Fiji: 4,635 Vanuatu: 93 Tonga: 559</p> <p>Total male: 2,961 Total female: 2,326 Social welfare recipients: 2,000 People With Disabilities: 609</p> <p>*Note that the data reported is cumulative.</p>
13	Client Outcomes	Number of active clients of new or improved CDRFI products and services supported by PICAP (usage)	2,000	4,799*	120%	<p>Fiji: 4,147 Vanuatu: 93 Tonga: 559</p> <p>Total male: 2,687 Total female: 2,112</p> <p>Fiji - Combined wind and rainfall cover: 1,997</p>

⁴ These are practices related to i) raising awareness and increasing knowledge of community members of the relevance and concept of insurance including of CDRFI instruments and ii) practices that can support communities to take-up and use (including technologically enabled) services and products.

Ind No.	ToC level	Indicator - Quantitative	Target (2021-2022)	Cumulative Results as of December 2022	Achievement Rate (%) ¹	Comments
						<ul style="list-style-type: none"> - Cyclonic response cover: 150 - Improved social protection cover: 2,000 <p>Tonga</p> <ul style="list-style-type: none"> - High windspeed cover (tailored): 559 <p>Vanuatu</p> <ul style="list-style-type: none"> - High windspeed cover (tailored): 93 <p>* Active clients refer to all individuals that have paid the premium in 2022 and had their certificate of insurance issued for the 2022-2023 cyclone season.</p>
14	Client Outcomes	Number of people reached through partner financial competency development activities	5,000	22,186	120%	Training and awareness by partners: CCF (12,613), CCSLA (1,076), FLC (825), FCML (972), FMCAF (1,359), FRL (341), ITGalax (124), TDFCAL (855), SCGC (2,018), Joint UN M4C (195), NWC (269), RBF (1,035), PDF (204), TDB (300).
15	Sector Outcomes	Number of financial sector policies, regulations and standards introduced or improved that support expansion of inclusive insurance products and services	2	4	120%	VAT exemption policy + RBF regulatory sandbox + The CDRFI Regulatory Practice Guidelines for Regional Regulators a2ii + Fiji's NFIS 2022-2030.
16	Sector Outcomes	Number of different inclusive insurance products and services in the market	2	5	120%	<p>Fiji</p> <p>3 CDRFI Products in the market: Combined wind and rainfall cover, improved social protection cover, cyclonic response cover.</p> <p>Tonga</p> <p>1 CDRFI in the market: High windspeed cover (tailored).</p> <p>Vanuatu</p> <p>1 CDRFI Product in the market: High windspeed cover (tailored).</p> <p>*Note: This refers to products that are currently available in the market. Old product variations are not included (see indicator 8).</p>
17	Sector Outcomes	The extent that market actors crowd-in and respond to inclusive insurance and digital business model innovation with new or improved practices, products, services, and policies	Qualitative	NA	Achieved	<p>Proxy indicator: There has been a significant crowding and response from market actors to the inclusive insurance products and services and the related policies that have been introduced under the Programme. Key market responses are as follows:</p> <p>Practices:</p> <ul style="list-style-type: none"> - All grant partners have changed their existing business models to include offering parametric microinsurance as part of their services, hitherto this was unavailable. - SUN Insurance has established an R&D department to explore and develop new innovative and inclusive insurance

Ind No.	ToC level	Indicator - Quantitative	Target (2021-2022)	Cumulative Results as of December 2022	Achievement Rate (%) ¹	Comments
						<p>solutions. Under this department, SUN is currently working to develop a bundled insurance product with a parametric component.</p> <ul style="list-style-type: none"> - CCSLA has expanded their operations into new geographic areas and gained regional and global recognition for their work with the Programme and informal sector customers. - Pacific Disability forum was able to offer the parametric reinsurance to its members, thereby reaching some of the most disadvantaged sections of the society. <p>Product/Services:</p> <ul style="list-style-type: none"> - FijiCare has expanded their operations to Tonga to pilot parametric microinsurance in the country. Expansion to additional countries is expected soon. - Discussions have been initiated with QBE property Insurance in Vanuatu to pilot an AI solution for property loss and damage assessments. - After a successful pilot with FijiCare and SUN in 2021-2022, TOWER Insurance partnered up with the Programme to pilot climate risk insurance solutions for individuals and MSMEs. TOWER has already launched a product for individuals in Fiji and is looking to introduce a MSME cover shortly. Tower is also planning for a regional expansion for the parametric products from 2023. - TDB has expanded their operations to include insurance offered through the digital onboarding platform iOnboard tailored to the Tongan context. <p>Policies</p> <ul style="list-style-type: none"> - The CDRFI Regional Regulatory Practice Guidelines developed by the Programme has been used by regulators to introduce parametric microinsurance to the markets in Tonga and Vanuatu. The guidelines have also received a lot of attention globally with market actors looking to pilot parametric insurance in markets outside of the Pacific. - RBF's approval to pilot the products under their FinTech Regulatory Sandbox. The Central Banks of Vanuatu and Tonga have also followed suit with suitable approvals. - VAT Exemption policy on parametric insurance in Fiji
18	Sector Outcomes	Percentage of individuals and MSMEs that have used one or a range of digitally enabled inclusive insurance products and services		0.59%	0.59%	<p>Fiji data only</p> <p>Proxy indicator: The indicator is calculated as the number of active clients in Fiji(indicator 13) divided by Fiji's adult population. The population data was retrieved from the U.S Census Bureau, International Database.</p> <p>4,147/702,502 = 0.59%.</p>

Ind No.	ToC level	Indicator - Quantitative	Target (2021-2022)	Cumulative Results as of December 2022	Achievement Rate (%) ¹	Comments
19	Impact	Percentage of customers that perceive that new products and practices will help them in recovering quicker after extreme events	TBD	NA	More than 58.5% of targeted groups across FJ, TO, VU expressed insurance as their preferred instruments for disaster recovery	<p>Proxy indicator: The percentage of individuals/MSMEs that mentioned insurance as their preferred instrument to cope with the financial impacts of natural hazards according to the Programme's Demand side studies and MSME Focus note.</p> <p>Fiji Farmers: 22.9% listed insurance as their preferred disaster risk financing instrument. 42.4% preferred a combination of insurance, savings, and loans. Total 65.3%.</p> <p>MSMEs: 59% of the participants expressed interest in an insurance product that bundle the risk of natural hazards for MSMEs with other instruments. The participants also indicated that insurance was the financial product they need the most but have limited access.</p> <p>Tonga Farmers, handicraft workers and MSMEs: 78.4% of the Farmers and handicraft workers preferred insurance as a disaster risk financing instrument. The MSMEs in Tonga listed loans as the preferred tool to manage the impacts of natural hazards. However, they indicated that insurance, credit, and stocks are the financial products that they need the most but don't have access to.</p> <p>Vanuatu Farmers, Fishermen, and MSMEs: 58.5% of the DSS participants in Vanuatu listed insurance as their preferred CDRFI instruments to cope with natural hazards.</p>
AVERAGE INDICATORS ACHIEVEMENT RATE						115%

10.2 Annexure 2: Progress Against Annual Work Plan 2022

LEAVING NO ONE BEHIND IN THE DIGITAL ERA - Pacific Insurance and Climate Adaptation Programme

Countries: Fiji, Vanuatu and Tonga																										
AWP 2022		TA, grant, loan, guarantee, etc.	Funder	Budget (grant, loan, guarantee)	PLAN	ACTUAL	%	Comments comments regarding the projects for the monthly update	Date	Periods	1	2	3	4	5	6	7	8	9	10	11	#	#	#	#	
DURATION START	DURATION START				COMPLETE	Period High #	Plan																			Ac Actual (beyond plan)
				USD																						
1. Enabling Policy & Regulation																										
Developing coverage maps, Workshops with Government & industry and stakeholders (incl MSME coverage)		TA/Grant	MFAT/GO/DFAT /ADB	126,635	1	12	1	6	100%																	
Regulator Workshop on CDRFI Principles		TA/Grant	MFAT/GO/DFAT	87,256	1	12	1	12	100%																	
Awareness workshop on CDRFI strategies and enabling environment		TA/Grant	MFAT/GO/DFAT	96,256	1	12	1	12	95%																	
Workstream Sub-total			10%	310,148																						
2. Open Digital Payment Ecosystem																										
Identify FinTech/InsurTech, and expand innovations for inclusive insurance - MSME and others		TA/Grant	MFAT/GO/DFAT	214,905	1	12	1	12	100%																	
Developing, testing and scaling of digital payment solutions for inclusive insurance- incl MSME		TA/Grant	MFAT/GO/DFAT	181,249	1	12	1	12	90%																	
Establishment and Expansion of last mile digital payment solutions for insurance benefits transfers- Incl MSME		TA/Grant	MFAT/GO/DFAT	195,849	1	12	1	12	85%																	
Workstream Sub-total			18%	592,004																						

3. Inclusive Innovation

Market based CDRFI products for MSME piloted, new product variants tested and scaled

Framework for social protection through macro to micro- expand pilot and prepare to scale

Workstream Sub-total

TA/Grant	MFAT/GOI/DFAT	560,274	1	12	1	12	100%
TA/Grant	MFAT/GOI/DFAT	270,774	1	12	1	12	85%
	26%	831,048					

4. Empowered customers

DRM and CDRFI training for partners

DRM and CDRFI product awareness material development

DRM and CDRFI campaigns in communities and MSME Research

Workstream Sub-total

TA/Grant	MFAT/GOI/DFAT	67,829	1	12	2	11	100%
TA/Grant	MFAT/GOI/DFAT	82,829	1	12	2	11	100%
TA/Grant	MFAT/GOI/DFAT/A DB	272,829	1	12	2	11	90%
	13%	423,488					

5. Communication and Knowledge Sharing

South-South Collaboration between Caribbean & Pacific and within region

CRI Research Collaboration research, A2ii engagement, publishing, and conferences

All MEAL Activities, including impact assessments, and learnings

Workstream Sub-total

TA/Grant	MFAT/GOI/DFAT	115,312	1	12	1	12	90%
TA/Grant	MFAT/GOI/DFAT	187,312	1	12	1	12	85%
TA/Grant	MFAT/GOI/DFAT	215,312	1	12	1	12	100%
	16%	517,936					

6. Team management

Program Implementation and Support

TA	MFAT/GOI/DFAT/A DB	335,237	1	12	1	12	100%
	10%						

Programmable Total

GMS (7%)	3,009,861
Multi Party Trust Fund (MPTF) - Fund Administration Cost (1%)	210,690
	30,099

Grand Total

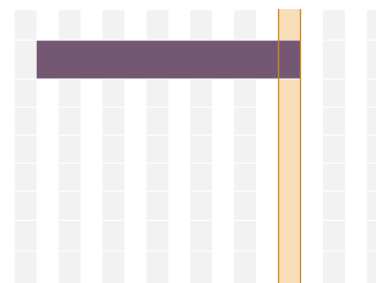
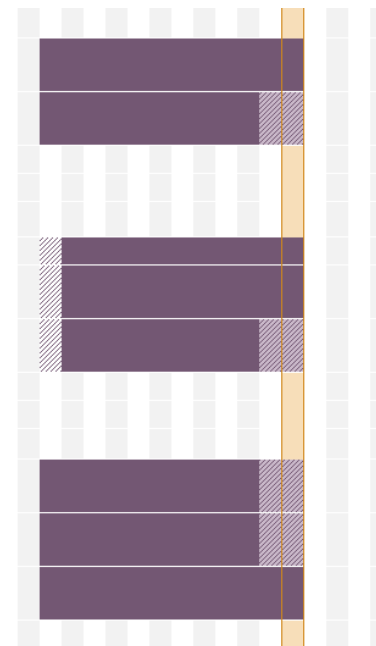
3,250,650

Legend:

MFAT - New Zealand

GOI - Government of India

DFAT - Australia



10.3 Annexure 3: Annual Programme Learnings



ENABLING POLICY AND REGULATION

Lessons Learned

- With the Fiji government extending the VAT exemption on climate and disaster risk insurance products and increasing the VAT on several products and services, the Programme learned that the interest and commitment towards building the financial preparedness and resilience of their people against the impacts of natural hazards through CDRFI remains strong. The government is currently working to finalize a DRF strategy which is another testimony to this commitment.
- The CDRFI Regulatory Practice Guidelines developed by the Programme are well fit to support the creation of enabling regulatory environments for CDRFI products and services and to facilitate expansion into new markets. The guidelines played an instrumental role in supporting the Programme's expansion to Vanuatu and Tonga and will continue to guide further expansion of the Programme, both regionally and globally.
- The CDRFI Best Practice guidelines have received significant attention in global forums which indicates that there is a growing appetite for innovative and inclusive insurance CDRFI solutions globally, and thereby also a higher demand for regulatory guidelines for such solutions.
- Through piloting the products under the RBF's Regulatory Sandbox, the Programme has learned that RBF is committed to creating an enabling regulatory environment for CDRFI products and solutions. The RBF decided to extend the Programme's pilot period under the sandbox for 6 months due to the absence of a triggering event. This shows RBF's willingness to make need-based changes in policy and regulatory framework and commitment to create a sustainable for CDRFI products and services.
- Through the programme, significant awareness, and recognition of the need to introduce and implement climate disaster risk financing and insurance solutions in the Pacific have been created among governments, policymakers, regulators, and other sector-level stakeholders.
- The Programme should have more active engagement with governments and public sector partners to sensitize them on issues such as financial resilience building and CDRF instruments. This aligns with PICAP's sustainability plan in terms of building the technical capacity of key local actors towards improving the financial preparedness and disaster resilience of PSIDS.



OPEN DIGITAL PAYMENT ECOSYSTEM

Lessons Learned

- The programme learned through partner feedback that the partners had some difficulties in using the iOnboard platform. Based on this feedback, the programme had discussions with ITGalax to address the key pain-points of the platform. The programme also engaged an iOnboard Officer to help train the partners on the usage of the platform. All aggregator partners are now well versed with the platform and have used it for their customer onboarding. The Programme and ITGalax will provide further training on the platform as necessary.
- There is a need to continuously upgrade the iOnboard platform based on customer feedback. The onboarding process can be made more seamless, user friendly, and customer centric.
- The decision to make onboarding mandatory through the iOnboard platform has proven effective in terms of the accuracy and completeness of beneficiary data. This has also helped improve the quality and timeliness of the beneficiary data shared by the partners with the PICAP MEAL team.
- There is an opportunity to improve the data availability on the iOnboard platform for the PICAP MEAL team further by developing a separate log-in with specific reporting functionalities. The Programme has discussed this with the ITGalax team and a reporting log-in is under development.

- There has to be a consistent engagement and dialogue between the MNOs and the insurers for the digital distribution of premium collections and claim payouts. The Programme team has observed that there has been a lack of communication between the parties which could be attributed to the absence of a triggering event. However, any payout will test the digital distribution channel, including the arrangements between the MNOs and the insurers.
- While there is general appreciation and understanding of the iOnboard platform, partners have not actively used the full capabilities of the iOnboard platform as a digital database interface. So far, the iOnboard platform has only been used to onboard members to the parametric microinsurance products.



INCLUSIVE INNOVATION

Lessons Learned

- The combined wind and rainfall cover has been well received by the beneficiaries and is well suited to the needs on the ground. There is a strong interest in additional price ranges of the current product as well as in products covering new perils.
- The programme has learned that the perceived affordability and future uptake of the product are highly dependent on the occurrence of a triggering event. The perception of unaffordability was emphasized last year due to the absence of a triggering event. The programme understands that a payout under the products would be the most influential factor to motivate people to purchase the insurance.
- Limited understanding of the product offerings could be a significant reputational risk for the products if there are high wind speed and/or heavy rainfall events that cause substantial damages and/or losses to the beneficiaries but do not reach the triggering threshold of the insurance. As such, it is of high importance that the correct information is clearly communicated during the outreach and awareness activities conducted by the Programme and its partners.
- The programme recognizes the need to develop new products targeting women, youths, and MSMEs to cover the population segments targeted under the programme. However, the programme is also mindful to establish a business case with the generic product before developing segment-specific product variants to avoid flooding the market.
- With the visibility generated by the programme, there is now an increased interest among donors and other stakeholders for CDRFI and a variety of insurance products are now being conceptualized and developed across other donor agencies and technical partners.
- The programme has a strong possibility of generating positive externalities in terms of reaching segments beyond the original target of the project as one insurance company is trying to offer the product to individuals outside of the purview of the aggregators.
- There is a need to strengthen the insurance companies' expertise, build adequate risk assessment models in house, and train their human resources to manage index-based/parametric products. The Programme has engaged WRMS to help develop the internal capacities within the insurance companies further through an in-country visit planned for February 2023.
- Farmers have expressed their interest in insurance for certain products like yaqona insurance, insurance for pesticides, and insurance on unleased land. The programme is considering conducting a small pilot on crop insurance subject to feasibility discussions with SCGC and FLC in the early stages of the expansion phase.
- The programme has learned to synergize and complement activities that have mutual objectives and inspirations with other UN agencies. Therefore, the Programme should continue its active engagement with partners such as FAO, UNDRR, UNOSSC, UN Women, and WFP and keep exploring opportunities to partner with other development actors. Furthermore, there is a strong possibility of generating positive externalities and capacity building within the UN system as the other UN agencies mainly do not work on financial and CDRFI products.



EMPOWERED CUSTOMERS

Lessons Learned

- The use of local product awareness champions is an effective way of building trust and awareness about CDRFI products.
- There is still a somewhat limited understanding of the product offerings amongst the beneficiaries despite the significant financial and insurance literacy initiatives undertaken by the programme and the partners. This is especially true for the finer terms and conditions of the products.
- There is a need to develop a financial literacy strategy that focuses on differentiated and innovative ways of designing and delivering content to the beneficiaries in a digestible format. The Programme will leverage the financial baseline survey that is being conducted by its sister Programme – Pacific Digital Economy Programme (PDEP) to inform the development of financial and insurance literacy resources in the expansion phase.
- Partner feedback suggests that there is a need for more intense and “effective” financial literacy for the last mile beneficiaries to increase the perceived value of the products for these beneficiaries. However, some of the partners also expressed the need for increased funding to expand their budgets for marketing and to help ensure more effective financial literacy programs, especially for the hard-to-reach vulnerable segments.
- By conducting gender assessments, the programme learned that some women are excluded from participating in the outreach and awareness sessions conducted by the partners when both women and men were invited as their husbands would typically participate instead. We also learned that many women felt more comfortable when speaking openly when only among other women in awareness sessions. As such, the Programme needs to work more closely with partners to encourage more women participation in the information sessions and facilitate sessions specifically for women participants.
- The programme recognizes that more gender equality orientation and awareness about the importance of women and gender mainstreaming to access the parametric product should be provided to partners.
- Partners indicate that one of the key barriers to uptake and adoption of the parametric insurance products is that there is no guarantee that the beneficiaries will get a payout under the insurance which makes them feel like they could be paying for nothing. This implies that there still is a need to change the mindset of the people towards insurance by educating them and emphasizing that they are paying for the financial protection against natural hazards and for peace of mind through outreach and awareness activities.



PROJECT MANAGEMENT

Lessons Learned

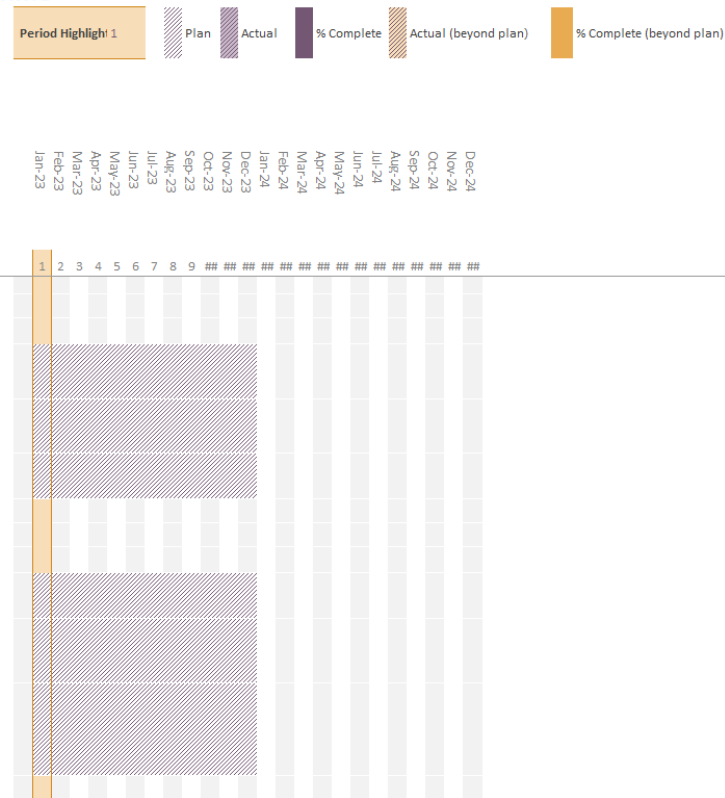
- There is a need to implement more frequent spot checks to verify the results reported for and monitor the utilization of financial resources to strengthen overall grant management.
- Based on partner feedback, the programme learned that some partners found the quarterly reporting quite cumbersome and time consuming. To reduce the reporting burden on the partners, the programme will change the reporting frequency from quarterly to bi-annually starting 2023. This has been approved by the Programme's IC.
- The programme needs to set up a centralized repository where qualitative information is captured and documented in a format that is easy to digest for a variety of stakeholders to prevent loss of information. If synthesized and analyzed, the information and data can provide valuable insights to the programme and relevant stakeholders and inform specific interventions, better targeting, improved strategies and/or risk mitigation measures etc.

- Some of the partners reported that their projects with the PICAP took a lot of time away from their core activities and that the programme was a bit “pushy” at times in trying to achieve the deliverables by the timelines agreed in the PBAs. The programme acknowledges this feedback and will work to be more understanding of the time required by the partners to deliver the agreed activities and more mindful to set realistic targets in the PBAs.
- The programme launched the new parametric insurance products late August 2022. This left the aggregator partner little time to conduct awareness sessions on the product and signing up their members before the intended cut off date for the cyclone season. As such, some of the partners faced difficulties in achieving their targets. The programme recognizes that limited time was given for the aggregators to onboard their members before October. For future product iterations, the programme will try and make sure that they are launched further in advance of the cyclone season to give partners ample time to conduct awareness sessions and to sign up their member before the intended cut-off date.
- The programme’s most recent RFA process was completed rather closely to the start of the cyclone season. This resulted in difficulties to sign up the agreed number of beneficiaries by the intended cut-off date for some of the partners that were onboarded through the RFA. To prevent this from happening again, the programme plans on having an open RFA going forward.
- There is an opportunity to set up a data portal for the programme through which partners can submit their quarterly reports for the PICAP team to review and provide feedback. Having a consolidated data portal could help bring efficiency to the partner reporting and enable the Programme to easily generate meaningful insights for usage and dissemination to external stakeholders. This opportunity will be considered during the Programme’s expansion phase.
- The programme recognizes the need to use its GESI strategy to promote the collection, reporting, and usage of gender-disaggregated data amongst the partners. The programme also understands the need to help improve the capacity of the partners to analyze and use the gender-disaggregated data for their business operations, expansion targeting, product design, and process streamlining etc.
- PICAP recognizes that there is a need to improve the collection and usage of gender-disaggregated data under the Programme. The Programme is working with IGP’s Centre of Excellence on Gender-Smart Solutions Technical Advisory Facility to establish Gender Smart approaches to the Monitoring and Evaluation of the Programme.
- There is a need for the programme to develop an M&E plan to track not just the number of trainings and number of people trained (both by PICAP and partners), but also the direct and indirect outcomes of these trainings.

10.4 Annexure 4: 2023 Annual Workplan & Budget

LEAVING NO ONE BEHIND IN THE DIGITAL ERA - Pacific Insurance and Climate Adaptation Programme

Countries: Fiji, Vanuatu, Tonga, Samoa, Kiribati, Solomon Islands, Timor Leste			0%			Comments	Date	Periods
TA, grant, loan, guarantee, etc.	Funder	Budget (Grant, loan, guarantee)	PLAN	ACTUAL	%			
AWP 2023			DURATION START	DURATION START	COMPLETE	Add comments regarding the projects for the monthly update	Date	Periods
USD								
1. Enabling Policy & Regulation								
Workshops with Government Department and Ministries (linking to National and Strategic Plans)	TA/ Grant	MFAT/DFAT/Drua/ACIIF F	111,144	1 12 0 0	0%			
On-Demand TA on CDRFI Regulations	TA/ Grant	MFAT/DFAT/Drua/ACIIF F	128,444	1 12 0 0	0%			
Awareness workshop on CDRFI strategies and enabling environment	TA/ Grant	MFAT/DFAT/Drua/ACIIF F	126,998	1 12 0 0	0%			
Workstream Sub-total		10%	366,585		0%			
2. Open Digital Payment Ecosystem								
Targeted support for strengthening digital ecosystems	TA/Grant	MFAT/DFAT/Drua/ACIIF F	295,849	1 12 0 0	0%			
Testing and Scaling digital payment solutions for CDRFI, and pilot interventions for Women, Youth, People with Disabilities, and MSMEs	TA/Grant	MFAT/DFAT/Drua/ACIIF F	285,849	1 12 0 0	0%			
Expansion of last mile digital payment solutions for insurance benefits transfers incl testing for Women, Youth, People with Disabilities, and MSMEs	TA/Grant	MFAT/DFAT/Drua/ACIIF F	111,795	1 12 0 0	0%			
Workstream Sub-total		19%	693,492					



3. Inclusive Innovation

Controlled Pilots and Targeted support for further scaling of CDRFI products and solutions
 Enhanced engagement on linking social protection with CDRFI and scaling
 Inclusive Insurance Solutions Hub Activities

TA/Grant	MFAT/DFAT/Drua/ACi FF	459,939	1	12	0	0	0%
TA/Grant	MFAT/DFAT/Drua/ACi FF	107,135	1	12	0	0	0%
TA/Grant	MFAT/DFAT/Drua/ACi FF	274,389	1	12	0	0	0%
	23%	841,464					

4. Empowered customers

Technical capacity enhancement for Programme Partners
 CDRFI product awareness material development-targeted for Women, Youth, People with Disabilities, and MSMEs
 DRM and CDRFI campaigns in communities with specific focus on Women, Youth, People with Disabilities, and MSMEs

TA/Grant	MFAT/DFAT/Drua/ACi FF	149,312	1	12	0	0	0%
TA/Grant	MFAT/DFAT/Drua/ACi FF	147,312	1	12	0	0	0%
TA/Grant	MFAT/DFAT/Drua/ACi FF	238,312	1	12	0	0	0%
	14%	534,935					

5. Communication and Knowledge Sharing

South-South Collaboration, Global and Regional Networking (COP, ICI, A2ii, MIN, IGP, DRFTWG, PRP)
 Communications, research, publications, events, and conferences
 All MEAL Activities, including impact assessments, and learnings

TA/Grant	MFAT/DFAT/Drua/ACi FF	207,755	1	12	0	0	0%
TA/Grant	MFAT/DFAT/Drua/ACi FF	272,755	1	12	0	0	0%
TA/Grant	MFAT/DFAT/Drua/ACi FF	198,755	1	12	0	0	0%
	18%	679,266					

6. Team management

Program Implementation and Support

TA	MFAT/DFAT/Drua/ACi FF	339,495	1	12	0	0	0%
	9%						

Programmable Total

GMS (7%)

Multi Party Trust Fund (MPTF) - Fund Administration Cost (1%)

	3,455,237
	241,867
	34,552

Grand Total

	3,731,656
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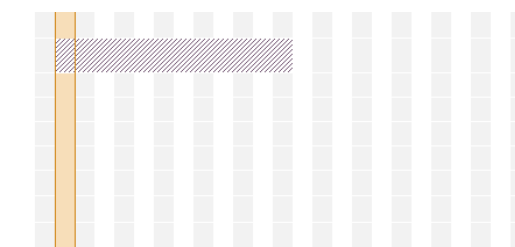
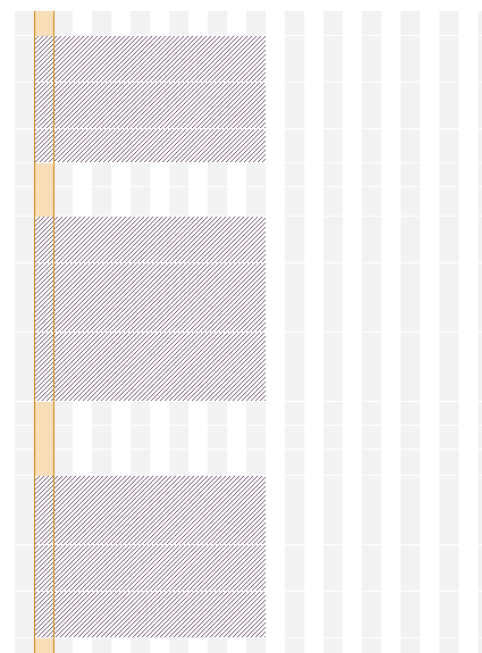
Legend:

MFAT - New Zealand

DFAT - Australia

Drua - Government of Luxembourg

AClIFF - Asia Pacific Climate Finance Fund



10.5 Annexure 5: Grants Summary Table

PIC	GRANT PARTNER	PROJECT TITLE	PROJECT DESCRIPTION	PROJECT START DATE	PROJECT END DATE	TOTAL PROJECT BUDGET (USD)	TOTAL UNCDF CONTRIBUTION	TOTAL PARTNER INVESTMENT
FIJI	Consumer Council of Fiji	Consumer Advocacy in Fiji on Climate Disaster Risk Financing and Insurance (CDRFI) Literacy	To create well-informed consumers armed with the necessary knowledge and information on climate disaster risk financing and insurance through financial literacy to enable them to make informed decisions while enhancing access to CDRFI products and services.	24/05/2021	31/12/2022	\$115,158	\$35,158	\$80,000
FIJI	Cane Farmer's Co-operative Savings and Loans Association Limited	Inclusive Innovations for Climate Disaster Risk Financing and Insurance - CCSLA	To create awareness on climate disaster risk financing and insurance through financial literacy for CCSLAs members, whereby they would be able to appreciate and make well informed decisions while accessing and using the CDRFI products and services such as parametric insurance. Provide access to parametric insurance and savings products to members by serving as aggregator.	27/05/2022	31/12/2022	\$68,066	\$45,052	\$23,014
FIJI	Cane Farmer's Co-operative Savings and Loans Association Limited	Inclusive Innovations for Climate Disaster Risk Financing and Insurance - CCSLA	To create awareness on climate disaster risk financing and insurance through financial literacy for CCSLAs members, whereby they would be able to appreciate and make well informed decisions while accessing and using the CDRFI products and services such as parametric insurance. Provide access to parametric insurance and savings products to members by serving as aggregator.		31/12/2023	\$35,000	\$35,000	
FIJI	Fiji Rice Pte Limited	Inclusive Innovations for Climate Disaster Risk Financing and Insurance for Rice Farmers in Fiji	To onboard FRL members to the piloting of the parametric insurance solutions developed by PICAP via the iOnboard platform. FRL will play the role of group aggregator offering this value-added service to their members.	24/06/2021	31/12/2022	\$35,576	\$21,194	\$14,382
FIJI	Fiji Rice Pte Limited				31/12/2023	\$25,000	\$25,000	
FIJI	Tailevu Dairy Farmers Co-operative Association Limited	Inclusive Innovations for Climate Disaster Risk Financing and Insurance - TDFCAL	To empower the cooperative members to make well informed decisions while accessing and using CDRFI instruments by equipping them with the necessary knowledge and information through financial literacy and CDRFI trainings.	28/05/2021	31/12/2022	\$55,437	\$34,629	\$20,808
FIJI	Tailevu Dairy Farmers Co-operative	Inclusive Innovations for Climate Disaster Risk Financing and Insurance - TDFCAL	To empower the cooperative members to make well informed decisions while accessing and using CDRFI instruments by equipping them with the necessary		31/12/2023	\$25,000	\$25,000	

PIC	GRANT PARTNER	PROJECT TITLE	PROJECT DESCRIPTION	PROJECT START DATE	PROJECT END DATE	TOTAL PROJECT BUDGET (USD)	TOTAL UNCDF CONTRIBUTION	TOTAL PARTNER INVESTMENT
	Association Limited		knowledge and information through financial literacy and CDRFI trainings.					
FIJI	Sugar Cane Growers Council	Inclusive Innovations for Climate Disaster Risk Financing and Insurance for Cane Growers Community in Fiji	To provide parametric insurance solutions developed by the PICAP and marketed by local insurers to cane growers via the iOnboard platform, SCGC will play the role of group aggregator offering this value-added service to their members.	24/06/2021	31/12/2022	\$102,529	\$62,445	\$40,084
FIJI	Fiji Coconut Millers Pte Limited	Inclusive Innovations for Climate Disaster Risk Financing and Insurance for Coconut Farmers in Fiji	Enable access to CDRFI instruments and parametric insurance to coconut farmers by serving as a group aggregator to one of the local insurance companies.	29/06/2021	31/12/2022	\$75,867	\$40,698	\$35,169
FIJI	Fiji Coconut Millers Pte Limited	Inclusive Innovations for Climate Disaster Risk Financing and Insurance for Coconut Farmers in Fiji	Enable access to CDRFI instruments and parametric insurance to coconut farmers by serving as a group aggregator to one of the local insurance companies.		31/12/2023	\$25,000	\$25,000	
FIJI	IT Galax Fiji Solutions (Fiji) Pte Limited	iOnboard- Platform & App Development and Rollout	iOnboard - Digital Onboarding System for Aggregators and Enterprises	25/05/2021	31/12/2022	\$149,000	\$84,000	\$65,000
FIJI	IT Galax Fiji Solutions (Fiji) Pte Limited	iOnboard- Platform & App Development and Rollout	iOnboard - Digital Onboarding System for Aggregators and Enterprises		31/12/2023	\$40,000	\$40,000	
FIJI	FijiCare Insurance Limited	Piloting Parametric Insurance in Fiji	Learn and test the feasibility and viability of offering market-based parametric insurance for climate disaster risk in Fiji.	24/06/2021	31/12/2022	\$416,262	\$208,131	\$208,131
FIJI	SUN Insurance Company Limited	Piloting Parametric Insurance in Fiji	SUN will enroll customers and complete the sales using digital platforms, including using a digital customer management and onboarding system, iOnboard. It will build the financial capacity of its clients and create general awareness about protecting financial losses due to climate-induced disasters using private insurance solutions.	23/06/2021	31/12/2022	\$232,662	\$130,968	\$101,694

PIC	GRANT PARTNER	PROJECT TITLE	PROJECT DESCRIPTION	PROJECT START DATE	PROJECT END DATE	TOTAL PROJECT BUDGET (USD)	TOTAL UNCDF CONTRIBUTION	TOTAL PARTNER INVESTMENT
FIJI	Vodafone Fiji Pte Limited	Extending Digital Payment to the Parametric Insurance Customers	Delivery of digital and financial literacy campaigns, both digital and in-person, to promote the adoption of the MPAlSA wallet and parametric insurance in coordination with the insurance companies.	11/04/2021	31/12/2023	\$230,000	\$80,000	\$150,000
FIJI	Digicel Fiji Limited	Extending Digital Payment to the Parametric Insurance Customers	Delivery of digital and financial literacy campaigns, both digital and in-person, to promote the adoption of the MyCash wallet and parametric insurance in coordination with the insurance companies.	11/04/2021	31/12/2023	\$150,000	\$55,000	\$95,000
FIJI	Financial Management Counsellors Association of Fiji	Financial and Climate Risk Insurance Literacy-Whole Family Approach (FMCAF)	To create awareness and build the capacity of Fijian MSMEs, farmers, fishers, households, and individuals on financial literacy to strengthen their resilience against natural disasters.	27/10/2021	31/12/2023	\$80,500	\$38,000	\$42,500
FIJI	Reserve Bank of Fiji	National Financial Inclusion Strategy (NFIS) 2022-2030 Joint PICAP PDEP Support	The objective of this project is to support RBF in the implementation of Fiji's National Financial Inclusion Strategy (NFIS) 2022-2030 to accelerate financial inclusion of the last mile population and strengthen economic growth through building an inclusive financial sector.	14/04/2022	31/12/2024	\$300,500	\$150,000	\$150,500
FIJI	Nature's Way Cooperative Fiji Ltd	Pilot of Parametric Insurance product(s) and Climate and Disaster Risk Financing Instruments in Fiji	Pilot test accessible and affordable parametric microinsurance products that support low-income households, farmers, and businesses in Fiji amongst NWC members with particular focus on women, youths, MSMEs and the Agriculture Sector.	07/01/2022	31/12/2023	\$40,000.00	\$25,000.00	\$15,000.00
FIJI	Pacific Disability Forum	Raising Awareness and Piloting Parametric Insurance and CDRF products in Fiji, Vanuatu, and Tonga amongst People with Disabilities	PDF will conduct outreach to different branches of umbrella Organisation of Persons with Disabilities (OPDs) in Fiji, Tonga, and Vanuatu to get maximum reach to persons with disabilities to be part of insurance scheme.	07/01/2022	31/12/2023	\$265,014.00	\$150,014.00	\$115,000.00
FIJI	Fiji Crop & Livestock Council	Piloting Parametric Insurance and CDRF products in Fiji	FCLC will provide access to affordable parametric insurance and CDRF products to support the farmers in the non-sugar agricultural sectors in Fiji, with particular focus on women, youths, and MSMEs.	07/01/2022	31/12/2023	\$125,000.00	\$75,000.00	\$50,000.00

PIC	GRANT PARTNER	PROJECT TITLE	PROJECT DESCRIPTION	PROJECT START DATE	PROJECT END DATE	TOTAL PROJECT BUDGET (USD)	TOTAL UNCDF CONTRIBUTION	TOTAL PARTNER INVESTMENT
FIJI	Tower Insurance Limited	Piloting Parametric Cyclone Micro-Insurance Products for Individuals and SMEs in Fiji, Vanuatu, and Tonga	TOWER will learn and test the feasibility and viability of offering a bundled indemnity/parametric household and MSMEs insurance product providing broad coverage across life events, fire, and cyclone risk.	07/01/2022	31/12/2024	\$1,399,426	\$445,690	\$953,736
VANUATU	VanCare	Piloting Parametric Insurance and CDRF products in Vanuatu	VanCare will develop and pilot accessible and affordable parametric microinsurance products that support low-income households, farmers, and businesses in Vanuatu through technical and grant support from UNCDF PICAP. VanCare will be undertaking an online integration with the telco providers in Vanuatu, Digicel and Telcom, for digital distribution channels (online payment of claims).	08/01/2022	31/12/2023	\$377,500	\$150,000	\$227,500
TONGA	Tonga Development Bank	Pilot of Parametric Insurance products(s) and Climate and Disaster Risk Financing Instruments in Tonga	TDB will act as an aggregator partner to pilot parametric microinsurance amongst its customers to strengthen their resilience against natural hazards. As an aggregator partner for insurers, in this case Tower Insurance subsidiary in Tonga is proposed.	08/01/2022	31/12/2023	\$150,000	\$90,000	\$60,000
TONGA	Tonga Development Bank	Tonga Recovery Funds Joint PICAP PDEP Support	UNCDF collaborated with UNDP Pacific Office and other agencies to provide needed support as part of a joint crisis action team. To further complement ongoing efforts and realizing the need for immediate liquidity post disaster, as part of UNCDF's direct intervention towards the crisis, we propose to partner with the TDB, a well-known and reputed development finance institution in Tonga, to offer:1)Zero interest rate/Interest free micro or soft loans to affected individuals and MSMEs through TDB for an extended flexible period.2)Fee free transactions for all international and domestic remittances(6-month period commencing February 2022).	01/04/2022	Mar-23	\$200,000	\$200,000	
Total Grant Value						\$4,718,497	\$2,270,979	\$2,447,518
Less PDEP Support						\$225,000	\$225,000	
PICAP Grant Value						\$4,493,497	\$2,045,979	\$2,447,518



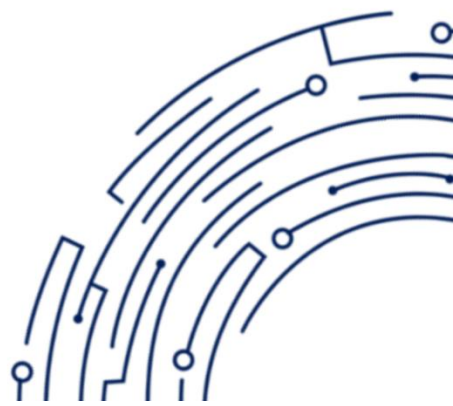
UNITED NATIONS
UNIVERSITY

UNU-EHS

Institute for Environment
and Human Security



Unlocking Public and Private
Finance for the Poor



ABBREVIATIONS

A2ii	Access to Insurance Initiative
CDRFI	Climate and Disaster Risk Financing and Insurance
CRIRC	Climate Risk Insurance Research Cooperation
DRF	Disaster Risk Financing
DRFTWG	Disaster Risk Financing Technical Working Group
DSW	Department of Social Welfare
FCML	Fiji Coconut Millers Pte Limited
FGD	Focus Group Discussions
FIJICARE	FijiCare Insurance Limited
FMCAF	Financial Management Counsellors Association of Fiji
GESI	Gender Equality and Social Inclusion
ITGalax	ITGalax Solutions (Fiji) Pte Limited
MSME	Micro, Small and Medium Enterprises
MTR	Mid-Term Review
MWCPA	Ministry of Women, Children & Poverty Alleviation
PCRIC	Pacific Catastrophe Risk Insurance Company
PDEP	Pacific Digital Economy Programme
PICAP	Pacific Insurance and Climate Adaptation Programme
PRP	Pacific Resilience Partnership
RBF	Reserve Bank of Fiji
UN	United Nations
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
VanCare	Vancare Insurance Ltd.
WFP	Weather Food Programme
WRMS	Weather Risk Management Services

EXECUTIVE SUMMARY

The two-year inception phase of the Pacific Insurance and Climate Adaptation Programme ended in December 2022. The mid-term review (MTR) was completed by an independent consultant and the final report along with the management responses has been endorsed by the Investment committee. The MTR articulated the robust results achieved by the programme (despite the Covid-19 challenges) justifying the need for scale up, replication across the region and for UNCDF to consider global expansion of the climate disaster risk insurance portfolio.

PICAPs market ecosystem development approach has been validated with solid private sector engagement, changes to their business models, collaborative partnerships with cooperatives and associations, co-creation of evidence-based solutions, digital technologies, and interfaces for last-mile delivery, capacity enhancement of partners, and financial competency and skills building at the community level. The number of individuals covered by parametric microinsurance in the three inception countries Fiji, Vanuatu and Tonga has exceeded the inception phase target of 2,000, the final numbers reaching 4,799 with 2,326 (or 47%) women beneficiaries.

Other notable achievements include the contribution of the programme to the disaster risk finance technical working group (DRFTWG) under the Pacific resilience partnership (PRP) and growing the community of practice. Partnerships with other UN agencies such as the World Food Programme, UN Women and UNDRR to test frontier concepts like climate risk insurance to social welfare recipients, linkage to anticipatory action and building women's resilience to disasters, are all expected to be amplified in the

expansion phase. UN agencies are increasingly seeing the value of partnering with the programme and deploying UNCDFs financing instruments, private sector engagement model and leveraging the technical expertise on climate risk insurance and digital inclusion.

While the expansion phase will continue to focus on core activities across the workstreams as outlined in the programme document, additional activities like the GESI strategy implementation, targeted research and other recommended interventions from the MTR will be integrated into the workplans. Preparation of a detailed ‘lessons learned’ report covering the entire inception phase is underway and this will also inform the activities of the expansion phase.

PICAP has laid a solid foundation not just for regional but also global expansion as approved by UNCDF management. The visibility and awareness of the Pacific programme created by participation in events such as the COP 27 and the global Inclusive Insurance conference has generated a demand for replicating the strategy and approach in other small island developing states (Caribbean) as well as under-developed markets in Africa and Asia.

The first few days of January 2023 saw the western division of Fiji experiencing heavy rainfall, triggering the first-ever parametric insurance claims pay-outs to 535 beneficiaries. FijiCare, the lead insurer has settled these claims within a week of receipt of the confirmed list of beneficiaries from the independent index monitor (WRMS) and within two weeks of the confirmed rainfall data furnished by the Fiji Met office, thereby responding to the immediate cash liquidity needs of the affected beneficiaries and firmly validating the core hypotheses of the programme that market systems can work.

The programme team places on record its gratitude to the supporting donors, Investment committee members, the technical advisory committee, the technical services providers, and other patrons who have reposed confidence in the PICAP initiative.

I. Purpose

The objective of the programme is to improve the financial preparedness of Pacific households, communities, small businesses, organizations and governments towards climate change and natural hazards through a combination of stakeholder engagement, co-creation of solutions, awareness and capacity building, innovative financing options and digital linkages – with a robust interface to the 2030 Sustainable Development Goals. The Programme specifically targets women, youth and MSME segments across a variety of sectors including agriculture, fisheries, retail, and tourism.

The programme is aligned to overarching UN strategies and frameworks including the

- i. United Nations Pacific Strategy (UNPS) Outcome 1: By 2022, people and ecosystems in the Pacific are more resilient to the impacts of climate change. Climate variability and disasters; and environmental protection is strengthened.
- ii. Sub-Regional Program Document (SRPD) 2018-2022: The programme contributes to SRPD Outcomes 1.2 – Effective risk informed development plans, disaster preparedness and recovery mechanisms in place at the national sector and sub-national levels and SRPD Output 3.2 – Green/Blue economic policies in place to support private sector initiative that create sustainable and environmentally friendly jobs and entrepreneurial opportunities for women and youth.

II. Assessment of Programme Results

i) Narrative reporting on results:

Stakeholder Outcomes

Introduction of national policies and regional guidelines that support climate disaster risk financing.

The programme was able to achieve its inception phase targets with four policy level interventions supporting national governments to improve their financial preparedness towards disasters.

- i. The first relates to the Reserve Bank of Fiji's (RBFs) approval to pilot the parametric insurance products under the FinTech Regulatory Sandbox.
- ii. The second relates to the approval by the Fiji Government in response to the Programmes submission for seeking the VAT exemption on climate and disaster risk parametric microinsurance products.
- iii. The third support was the development and publication of the CDRFI Regulatory Best Practice Guidelines for regional regulators and other stakeholders – a joint initiative with the Access to Insurance Initiative (a2ii).
- iv. Fiji National financial Inclusion Strategy 2022-2030 (CDRFI and digitally inclusive)

Geographical scale up of PICAP supported CDRFI Solutions

With the successful roll out of PICAP in Fiji in 2021, the programme was able to scale its operations to new programme countries including Tonga and Vanuatu towards the end of 2022. The programme has been able to create improved and tailored solutions for the countries of scale.

Partners changing their organizational practices with PICAPs support.

The programme exceeded its targets here with all 19 partners changing their organizational practices as a result of the programmes support.

- 15 Partners are actively engaged in financial and CDRFI literacy.
- 04 Partners are engaged in digital and E-payments literacy.

Clients Outcomes

The programme managed to achieve its targets for registered and active customers by the end of 2022 with strong advocacy and literacy initiatives supported by PICAPs grant partners at the individual and household level. The number of **clients that had registered** for CDRFI products across the 2021-2022 inception phase was 5,287 of which 2,326 were women beneficiaries. In terms of country distributions, 4,635 were from Fiji, 559 from Tonga and 93 from Vanuatu. In addition, 2000 of the 5K beneficiaries were social welfare recipients and 609 of total registered clients were people living with disabilities.

By the end of the reporting year, a total of 4,799 were recorded as active clients i.e., those clients that had purchased their parametric insurance cover or had this subsidized or fully paid for by government in the 2022 reporting year.

Sector Outcomes

The four new financial sector policies, regulations and standards introduced and/or supported by PICAP created the enabling environment for the roll out of 5 inclusive insurance products into the market exceeding its initially set target of 2 new products and services.

- **Fiji**
3 CDRFI Products in the market: Combined wind and rainfall cover, improved social protection cover, cyclonic response cover.
- **Tonga**
1 CDRFI in the market: High windspeed cover (tailored).
- **Vanuatu**

1 CDRFI Product in the market: High windspeed cover (tailored).

The above only refers to products that are currently available in the market. Old product variations are not included.

Product development differentiation is enabled through partnership with the Weather Risk Management Services (WRMS) based in India, responsible for the modelling of the first parametric insurance product in Fiji. WRMS provided technical assistance to develop the climate risk model, trigger levels, index insurance product and continues to provide ongoing support to local insurance companies and aggregators for capacity building as well as claims intimation. The programme also partnered with World Food Programme (WFP) and the Department of Social Welfare (DSW) under the Fiji Ministry of Women, Children and Poverty Alleviation (MWCPA) to develop the first-of-its-kind social protection climate risk insurance cover for welfare recipients in high-risk areas in Fiji. In addition to this, PICAP, in June 2022 had set up an Inclusive Insurance Solutions Hub to support the development of inclusive insurance markets in the region providing a platform for intensive discussion and collaboration among multiple stakeholders to support the development of CDRFI solutions that fit the region.

Outputs

Value of USD Investments for PICAP and Partners

PICAP had exceeded the value of targeted investments for the inception phase with total investments valued at USD 4 million against a USD 2.5 million target. For partner investments there was a 98% achievement rate with partner contributions to project budgets being valued at USD 2.4 million against a USD 2.5 million target. The programme had targeted to support 20 partners and achieved the target by signing 19 performance-based grant agreements and one technical assistance agreement by end of the reporting period.

Strengthening knowledge (and its application) on digitally enabled CDRFI solutions

The programme managed to achieve on this indicator. Of the 19 partners that signed grant agreements with UNCDF, 13 confirmed the application of knowledge gained as a result of UNCDF facilitated CDRFI and digital finance literacy. Data was captured through face-to-face qualitative interviews as well as online through survey monkey application.

Number of partners showing increased commitment in improving their business models.

The programme exceeded its targets here with 19 partners changing their organizational practices as a result of the programmes support.

- 15 Partners are actively engaged in financial and CDRFI literacy.
- 04 Partners are engaged in digital and E-payments literacy.
- Partners changing their product offerings – Sun Insurance, FijiCare, Tower Insurance, VanCare
- Partners changing their service offerings – Vodafone, Digicel, IT Galax, FMCAF
- Partners changing their business operations – All programme supported agri-agencies, MSMEs and the regulator.

As per the PICAP Indicator reference sheet, changes in business operations includes: the integration of CDRFI literacy and advocacy programmes into business plans, the registration and sign up, and the willingness of agri-agencies and cooperatives and other advocacy partners to support their members and the community to sign up to CDRFI solutions, as well as the adoption of digital onboarding platforms and digital payment services to support payment linkages.

Products and services piloted with UNCDF's support.

The programme managed to pilot a total of 15 new and improved CDRFI and digital products and services by the end of the 2022 reporting period.

- **Fiji**
 - 4 New CDRFI Products Piloted:** High windspeed cover, cyclonic storm cover, social protection cover, cyclonic response cover.
 - 2 Improved CDRFI Products Piloted:** Combined wind and rainfall cover, improved social protection cover.
 - 6 Digital Products/Services Piloted:** iOnboard Platform, iOnboard app, digital payments through MPAlSA, digital claims through MPAlSA, digital payments through MyCash, digital claims through MyCash.
- **Tonga**
 - 1 New CDRFI Product Piloted:** High windspeed cover (tailored).
 - 1 Digital product Piloted:** iOnboard platform (tailored).
- **Vanuatu**
 - 1 New CDRFI Product Piloted:** High windspeed cover (tailored).

Qualitative assessment

By December 2022, the end of PICAPs inception phase, the programme was able to successfully deliver against its results framework achieving an average KPI achievement rate of 115%. The programme also completed 95% of its annual planned activities utilizing 100% of the 2022 allocated budget.

UNCDF's market ecosystem development approach has been validated with solid private sector engagement, changes to their business models, collaborative partnerships with cooperatives and associations, co-creation of evidence-based solutions, digital technologies, and interfaces for last-mile delivery, capacity enhancement of partners, and financial competency and skills building at the community level.

These achievements would not have been possible without the support of the programme's private and public sector grant and TA partners as well as through leveraging the strengths of the agencies- UNCDF, UNDP and UNU-EHS. This has been furthered amplified with other UN agencies such as the WFP, UN Women, and UNDRR forming alliance and collaborating on interventions to test frontier concepts like climate risk insurance to social welfare recipients and linkages to anticipatory action and building women's resilience to disasters. The programme also benefits from the expertise and active involvement in several forums such as the Disaster Risk Finance and Technical Working Group under the Pacific Resilience Partnership Programme.

The funding from the MPTF has been instrumental in setting the foundation for PICAPs expansion into additional countries. With successful results from the inception phase, the programme has engaged in several resource mobilization efforts, convening dialogues with potential donors such as the India-UN Development Partnership Fund, the German government (BMZ, BMU), the Government of Luxembourg (through the Drua Incubator) and the V20 secretariat for support under the Global shield. The programme has managed to secure additional funding from India-UN Development Partnership Fund and a soft commitment from Australia and New Zealand for the expansion phase.

ii) Indicator Based Performance Assessment:

Using the **Programme Results Framework from the Project Document / AWP**s - provide details of the achievement of indicators at both the output and outcome level in the table below. Where it has not been possible to collect data on indicators, clear explanation should be given explaining why.

	Achieved Indicator Targets	Reasons for Variance with Planned Target (if any)	Source of Verification
Indicator 1 – Activity Level Indicator: Number of stakeholders supported by PICAP Baseline: NIL Planned Target: 20	20	Target achieved. Target was 20 partners, 19 grant agreements signed, one technical assistance agreement. (100% achievement rate)	PICAP Annual Report
Indicator 2 – Activity Level Indicator: Number of people taking part in capacity building activities Baseline: NIL Planned Target: 250	451	Target achieved and exceeded. 239 (53%) were women.	PICAP Annual Report
Indicator 3 – Activity Level Indicator: Number of capacity building activities. Baseline: NIL Planned Target: 50	61	Target achieved and exceeded.	PICAP Annual Report
Indicator 4 – Activity Level Indicator: Value of PICAP investments (USD). Baseline: NIL Planned Target: 2,500,000	4,040,065.5	Target achieved and exceeded. 2,045,979 – Grant Value 1,974,087 – TA value	PICAP Annual Report
Indicator 5 – Output Level Indicator: Value of partner investments due to PICAPs support (USD) Baseline: NIL Planned Target: 2,500,000	2,447,518	Target not achieved. Target was USD 2,500,000. (98% achievement rate)	PICAP Annual Report
Indicator 6 - Output Indicator: Number of participants indicating that they have applied the knowledge gained in the PICAP delivered capacity building activity 6-12 months following the date of the activity. Baseline: NIL Planned Target: 13	13	Target achieved. 2021 – 5 impact quotes. 2022 – 8 impact quotes.	PICAP Annual Report
Indicator 7 - Output Indicator: Number of partners showing increased commitment in improving their business models	19	Target achieved and exceeded.	PICAP Annual Report

	<u>Achieved</u> Indicator Targets	Reasons for Variance with Planned Target (if any)	Source of Verification
Baseline: NIL Planned Target: 5			
Indicator 8 - Output Indicator: Number of products and services piloted with UNCDF support Baseline: NIL Planned Target: 5	15	Target achieved and exceeded.	PICAP Annual Report
Indicator 9 – Stakeholder Outcomes Indicator: Number of national or regional strategies and policy measures introduced or implemented on CDRFI Baseline: NIL Planned Target: 2	4	Target achieved and exceeded.	PICAP Annual Report
Indicator 10 – Stakeholder Outcomes Indicator: Number of new or improved CDRFI business models scaled by PICAP-supported partner Baseline: NIL Planned Target: 2	2	Target achieved.	PICAP Annual Report
Indicator 11 – Stakeholder Outcomes Indicator: Number of partners that have changed their organizational practices with PICAP support Baseline: NIL Planned Target: 10	19	Target achieved and exceeded.	PICAP Annual Report
Indicator 12 – Client Outcomes Indicator: Number of registered clients of new or improved CDRFI products and services supported by PICAP (access) Baseline: NIL Planned Target: 3,000	5,287	Target achieved and exceeded.	PICAP Annual Report
Indicator 13 – Client Outcomes Indicator: Number of active clients of new or improved CDRFI products and services supported by PICAP (usage) Baseline: NIL Planned Target: 2,000	4,799	Target achieved and exceeded.	PICAP Annual Report

	<u>Achieved Indicator Targets</u>	Reasons for Variance with Planned Target (if any)	Source of Verification
Indicator 14 – Client Outcomes Indicator: Number of people reached through partner financial competency development activities Baseline: NIL Planned Target: 5,000	22,186	Target achieved and exceeded	PICAP Annual Report
Indicator 15 – Client Outcomes Indicator: Number of financial sector policies, regulations and standards introduced or improved that support expansion of inclusive insurance products and services Baseline: NIL Planned Target: 2	4	Target achieved and exceeded	PICAP Annual Report
Indicator 16 – Client Outcomes Indicator: Number of different inclusive insurance products and services in the market. Baseline: NIL Planned Target: 2	5	Target achieved and exceeded	PICAP Annual Report
Indicator 17 – Client Outcomes Indicator: The extent that market actors crowd-in and respond to inclusive insurance and digital business model innovation with new or improved practices, products, services, and policies Baseline: NIL Planned Target: TBD	Achieved	Target achieved. There has been a significant crowding and response from market actors to the inclusive insurance products and services and the related policies that have been introduced under the Programme.	PICAP Annual Report
Indicator 18 – Client Outcomes Indicator: Percentage of individuals and MSMEs that have used one or a range of digitally enabled inclusive insurance products and services Baseline: NIL Planned Target: TBD	0.59%	Proxy indicator: The indicator is calculated as the number of active clients in Fiji (indicator 13) divided by Fiji’s adult population. The population data was retrieved from the U.S Census Bureau, International Database. $4,147/702,502 = 0.59\%$.	PICAP Annual Report
Indicator 19 – Client Outcomes Indicator: Percentage of customers that perceive that new products and practices will help them recover quicker after extreme events. Baseline: NIL Planned Target: TBD	58.5%	More than 58.5% of targeted groups across FJ, TO, VU expressed insurance as their preferred instruments for disaster recovery	PICAP Annual Report

iii) Evaluation, Best Practices and Lessons Learned

Research Activities

- **Disaster Risk Financing (DRF) Research with fishers and farmers in Vanua Levu**

The Pacific Insurance and Climate Adaptation Programme's (PICAP) team, together with the University of the South Pacific (USP) conducted qualitative research in Q2 in 2022 in Fiji as part of the Climate Risk Insurance Research Cooperation (CRIRC), where research partners from the University of the South Pacific (USP), the University of the West Indies (UWI), UNU-EHS collaborated on a research focusing on vulnerability, Disaster Risk Management, and Climate and Disaster Risk Financing (CDRF) solutions for Small Island Developing States.

As a first step, CDRFI Field Beneficiary Survey has been conducted to capture how farmers of different commodities were affected by cyclones, as well as their coping strategies and needs for financial instruments. With the survey, the team was also able to collect feedback on the existing products and inform product refinements for the 2022-2023 cyclone season. As a follow-up of the initial step, PICAP and USP researchers conducted qualitative research facilitated through focus group discussions giving the researchers and project team numerous insights into the constraints many Fijians face after a natural hazard strikes. The research more importantly helped identify how the PICAP project can further support farmers. Ultimately, this research reconfirmed the need for climate and disaster risk financing instruments, such as parametric insurance, to help provide families with financial liquidity after extreme weather events. Going forward, based on the collected data in Fiji, different related thematic publications such as an evidence note, and factsheets are being prepared to be published throughout 2023.

- **The need for DRF amongst MSMEs in Fiji**

Another significant research engagement in 2022 was with MSMEs in Fiji, which was conducted between April and June 2022. The PICAP research team interviewed business owners of 466 MSMEs in urban and rural areas in Fiji. Findings from the survey published through a dedicated evidence note "[MSMEs in Focus: Insights on how MSMEs in Fiji are affected by extreme weather events and their readiness for disaster risk financing](#)" which was also launched at COP 27 during one of the side events hosted by the PICAP team at Moana Blue Pacific Pavilion.

- **Scoping a rigorous evaluation of the shock-responsive social protection work in Fiji**

The PICAP team, together with researchers from University of Sydney as well as USP further received additional JPAL funding to conduct a workshop aimed at exploring the feasibility and interest to conduct a rigorous evaluation of the shock-responsive social protection work that is piloted in collaboration with the Ministry of Women, Children & Poverty Alleviation (MWCPA) and WFP and that is testing an innovative solution on how to provide social welfare beneficiaries access to climate risk insurance. The workshop was successfully conducted in Suva on 29 November 2022 with participants from the Fiji government, relevant development agencies and academia. During the workshop and side meetings, an interest for a rigorous evaluation was expressed by all stakeholders.

Mid Term Review

The PICAP mid-term review officially started in Q3 2023 with the recruitment of an independent consultant. The review was designed to assess PICAPs progress towards project objectives and results in the inception phase through an objective assessment of the Programme; assist UNCDF and key partners understand the relevance, efficiency, effectiveness, likely impact, and sustainability of the Programme; identify key

challenges and any factors that may have affected implementation; as well as identify key lessons learned and other emerging opportunities for future programming.

As part of the study, 46 key informant interviews were conducted with 32 institutional stakeholders. Field visits were undertaken to four locations across Fiji to interact with the aggregator partners and their clients/non-clients. About 40% of the stakeholder representatives were women. In addition, Focus Group Discussions (FGDs) and individual interviews were conducted with 16 end-users/non-users of which 6 were women. The MTR report with management responses to the recommendations was finalized in November and communicated to the Investment Committee and donor representatives in December 2022. The report will inform expansion plans and programme strategies for 2023 and beyond.

Lessons Learned

Will be captured in the mid term review report annexed to this report.

Programme Risks

Key: L- Low | M-Medium | H-High

No	Risk Identified and description	Probability or Likelihood	Impact	Mitigation
1	Global pandemics, wars, conflicts with economic impacts	M	H	There are no Covid-19 related restrictions, both local and global. However, the programme will continue to monitor the situation, follow Government guidelines, UN advisories. The ongoing war Russia-Ukraine war is affecting global supply chains, putting inflationary pressures across continents and this may affect funding support from some donor. Management will continue to engage donors and stakeholders in addressing these issues
2	Other parametric insurance or CDRFI initiatives	M	M	In the last year, several agencies have announced plans of commencing parametric insurance initiatives in the Pacific, these are potentially conflicting with PICAP. Proactively it is planned to engage with these agencies to develop collaborative approaches and complementarities. As a member of the DRFTWG under PRP, PICAP will continue to engage all stakeholders in this space and position itself strategically.
3	Implementation Support from Pacific governments is delayed	L	L	Through direct engagement with Pacific governments as well as through FEMM, PICAP has received good support country stakeholders and will continue to build relationships as implementation progresses.
4	Limited technical knowledge and capacity of regulators/governments on parametric insurance and other CDRFI tools	M	L	Several capacity enhancement workshops have been completed for government, regulators, and other stakeholders and this will be ongoing during the expansion phase as well.
5	Limited private sector support or buy-in for implementation	L	L	There is excellent support and participation from the private sector- insurers and reinsurers besides FinTech/InsurTech partners as well as cooperatives and aggregators.

No	Risk Identified and description	Probability or Likelihood	Impact	Mitigation
	partnerships			
6	Low levels of insurance awareness	H	M	Programme has identified this as a priority area for intervention and ongoing support will be provided to partners for continuing awareness and literacy campaigns. PICAP will also work with PDEP in rolling out financial and digital literacy training and awareness for partners. It should be recognized that insurance awareness and financial competency development will be an ongoing activity.
7	Poor market response to parametric insurance and other CDRFI instruments	M	M	Globally parametric insurance has either been government or donor driven or supported. Developing/deploying market-based solutions is bound to be challenging, however, it is proposed to address this challenge through a combination of community engagement, co-creation of solutions for acceptance and sustainability, regular awareness campaigns, innovative financing options, use of digital linkages for cost efficiency as well as concentration on meso level players for market outreach. Initial responses in 2021 and 2022 is encouraging with over 4000 households already covered showing good market response.
8	Sustainability of market interventions and projects	H	M	Based on the findings and observers from the mid-term review, a sustainability and exit plan will be developed by the programme to look at phased transfer of capacities to national/ regional stakeholders during the expansion phase from 2023 to 2025. Given the limited local capacities, it will be some time before national or regional ownership of the programme can be fully ensured.
9	Technical capacity and implementation experience of the Programme team	L	L	Team technical capacity has vastly improved with exposure to appropriate training. Need based recruitment has been carried out and will be continued as the programme enters the expansion phase. Services of technical experts have also been enlisted through contractual services.
10	Donor/funder support to the programme for the expansion phase			Programme has delivered excellent results during the inception phase, reaching targets on all counts. Present major donors Australia/New Zealand have confirmed their support for the expansion phase. Programme management is also engaging with other funders to expand the pool and seek further support as expansion is underway.

iv) A Specific Story



Increasing the Financial Resilience and Inclusion of Marginalized Groups

The major players in Fiji’s coconut industry can attest to living with the uncertainty of natural disasters, and painful recovery from their widespread devastation. From tropical cyclones to heavy rain and strong wind, coconut plantations usually recover slowly, as farmers struggle with financial losses, and try to find means and ways to mitigate future losses.

Mr. Kumar of FCML explaining how farmers are financially affected with the uncertainty of natural disasters to UNCDF-PICAP team in Savusavu, Fiji.

After every disaster, the aim is to recover as quickly as possible, but this is often difficult due to the scarcity of accessible and affordable funds.

For Fiji Coconut Millers Pte Limited (FCML), a major buyer in Fiji of raw materials and exporter of coconut products, financial protection for their members in the form of insurance cover has been a long-held hope. This hope is now a reality, thanks to the UN Capital Development Fund’s Pacific Insurance and Climate Adaptation Programme (PICAP).

Because the benefits of the scheme were so clear, it didn’t take long for Coconut Millers to join the pilot project on parametric microinsurance products as an implementing partner. For the first time ever, farmers and affiliates of Coconut Millers will enjoy financial protection against the damage to their farms by natural disasters.

According to Mr. Kumar, farmers rely on coconut supplies for their income and when the trees are damaged and unable to bear fruit, their source of livelihood disappears. This is when the farmers are in most need of funds to meet daily expenses, rehabilitate their farms and restart operations. Towards this end, the parametric microinsurance product offers a financial lifeline by providing farmers short-term benefits to take on small investments until the trees return a healthy supply of coconuts.

While the product has immense potential, the company feels that its future success is incumbent upon increasing the financial literacy of farmers and its affiliates. “Financial literacy is something that needs to be ongoing,” Mr. Kumar emphasized. “We first need to teach people about three components — revenue, expense, and savings — and explain the importance of risk management. When we talk about risk management, insurance comes in. These are the basics, otherwise it is unlikely that they will accept it at face value. We need to (teach) them from the ground level as a starting point. If you go straight into explaining big words in insurance, they will not understand properly.”

Reflecting on the possible strengths of the parametric microinsurance scheme, Coconut Millers believes that it would allow farmers to receive financial assistance immediately. This inclusion of marginalized members of the community in the supply chain was important as it allowed women, disabled persons and micro, small

and medium enterprises to be part of the benefits that came with the product.

FCML feels that the presence of UNCDF representatives at its community awareness sessions would boost farmer confidence in the product.

Summary of Communications and Media Coverage for 2022

Social Media Reach

Facebook:	165,000 followers
Twitter:	34,600 followers
LinkedIn:	122,000 followers
Instagram:	8,770 followers
YouTube:	4,170 followers
Total	334,540

Publication and Distribution Pieces

Blogs:	03
Reports:	05
Press Releases:	07
Impact Stories:	16
Videos:	05
Other Promotional Materials:	23
Total	59

/end of report/